Banca del Fucino S.p.A.

a joint stock company under Italian law

having its registered office in Via Tomacelli 107, 00186 Rome, Italy

share capital equal to Euro 264,172,926.46 (as of 30 June 2025), fully paid-in

registered with the Companies' Register of Rome under number 04256050875 and R.E.A. number RM-1458105

parent company of "Gruppo Bancario Igea Banca", enrolled in the register of banks (*Albo delle Banche*) and in the register of banking groups (*Albo dei Gruppi Bancari*) held by the Bank of Italy, ABI code 3124, adhering to the "*Fondo Interbancario di Tutela dei Depositi*"

ADMISSION DOCUMENT

in connection with the application for admission to trading of the financial instruments named

"€50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 17 July 2035"

ISIN: IT0005659609

(the "**Notes**")

on the professional segment of the multilateral trading facility Euronext Access Milan organised and managed by Borsa Italiana S.p.A.

The issue price of the Notes is 100 per cent. of their principal amount

The Notes are issued in dematerialized form in accordance with Legislative Decree No. 58 of February 24, 1998, as amended, and held with Euronext Securities Milan

CONSOB AND BORSA ITALIANA S.P.A. HAVE NOT EXAMINED NOR APPROVED THE CONTENT OF THIS ADMISSION DOCUMENT

This admission document is dated 15 July 2025.

IMPORTANT INFORMATION

This admission document dated 15 July 2025 (the "**Admission Document**") contains important information and it should be read in its entirety, in conjunction with all information which is incorporated by reference in, and forms part of, this Admission Document.

This Admission Document has been prepared by Banca del Fucino S.p.A. (the "**Issuer**") in accordance with the rules of the Euronext Access Milan market (the "**Euronext Access Milan Market Rules**") solely for the purpose of applying for the admission to trading of the financial instruments named *"€50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 17 July 2035*" (ISIN: IT0005659609) (the "**Notes**") on the professional segment (the "**Professional Segment**") of the multilateral trading facility Euronext Access Milan organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). The Euronext Access Milan is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**").

This Admission Document does not represent an offering circular pursuant to Legislative Decree No. 58 dated 24 February 1998 and to CONSOB Regulation No. 11971 dated 14 May 1999, both as subsequently amended and supplemented (the "**Financial Services Act**" and "**CONSOB Regulation No. 11971**", respectively).

Neither this Admission Document nor the transactions described herein represent, or may be intended as representing, a public offering of financial instruments nor an admission to trading of financial instruments on a regulated market (*mercato regolamentato*) as defined in the Financial Services Act and in the CONSOB Regulation No. 11971.

The Notes have a minimum denomination of Euro 200,000 and are reserved exclusively for subscription by "professional clients" and "eligible counterparties" as defined pursuant to MIFID II and included in the definition of "qualified investors" set forth in Article 2(e) of Regulation (EU) No. 1129 of 14 June 2017 (the "**Prospectus Regulation**") and any applicable provision of Italian laws and regulations. In the event of subsequent circulation, the Notes may be transferred exclusively to such categories of persons.

The offer of the Notes therefore qualifies as a transaction not subject to the obligation to publish a prospectus for the purposes of article 1(4)(a) and (c) of the Prospectus Regulation.

Neither the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") nor Borsa Italiana have examined or approved this Admission Document.

The Notes 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 or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Admission Document may not be distributed, either directly or indirectly, in jurisdictions other than Italy. The publication and the distribution of this Admission Document and the offering, sale and delivery of the Notes (direct or indirect) in certain jurisdictions may be restricted by law. Therefore, investors are required to inform themselves about and to observe such restrictions.

The violation of such restrictions may constitute a violation of the applicable securities legislation in the competent jurisdiction.

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CERTAIN DEFINITIONS

In addition to the definitions provided in the Terms and Conditions of the Notes (as defined below), the following is a list of definitions and terms used in this Admission Document. Such definitions and terms, unless otherwise specified in Terms and Conditions of the Notes, shall have the meanings set forth below, it being understood that the same meaning shall be construed to apply to both the singular and the plural form.

Admission Document	this admission document for the trading of the Notes on the Professional Segment of the Euronext Access Milan Market, prepared in accordance with the guidelines indicated in the Euronext Access Milan Market Rules.
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Piazza degli Affari no. 6, Milan, Italy.
Competent Authority	the Bank of Italy, European Central Bank in conjunction with the national competent authority (for Italy, the Bank of Italy), and/or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under the BRRD and/or the SRM Regulation.
CONSOB	the *Commissione Nazionale per le Società e la Borsa*, with its registered office in Via G.B. Martini no. 3, Rome, Italy.
CONSOB Regulation No. 11971	Regulation No. 11971 dated 14 May 1999, adopted by CONSOB, as subsequently amended and supplemented.
ECB	European Central Bank.
Euronext Access Milan Market	the multilateral trading facility organised and managed by Borsa Italiana reserved for bond instruments.
Euronext Access Milan Market Rules	the rules of the Euronext Access Milan Market issued by Borsa Italiana, as amended and supplemented from time to time.
Euronext Securities Milan	Monte Titoli S.p.A., having its registered office in Piazza degli Affari 6, Milan, Italy.
Financial Services Act	the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.
Group	the banking group, as identified in accordance with the Italian Banking Act, to which the Issuer belongs and the group identified for consolidation scope in the Issuer 2024 Consolidated Annual Financial Statements.

Issuer 2024 Consolidated Annual Financial Statements	the Italian language audited consolidated financial statements of the Issuer for the financial year ended on 31 December 2024, incorporated by reference in this Admission Document.
Issuer or Banca del Fucino or Bank	Banca del Fucino S.p.A., a joint stock company under Italian law, having its registered office in Via Tomacelli 107, 00186 Rome, Italy, share capital equal to Euro 264,172,926.46 (as of 30 June 2025), fully paid-in, registered with the Companies' Register of Rome under number 04256050875 and R.E.A. number RM-1458105, parent company of "Gruppo Bancario Igea Banca", enrolled in the register of banks (*Albo delle Banche*) and in the register of banking groups (*Albo dei Gruppi Bancari*) held by the Bank of Italy, ABI code 3124, adhering to the "*Fondo Interbancario di Tutela dei Depositi*".
Italian Banking Act	the Italian Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented.
MiFID II	the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as subsequently amended and supplemented.
Noteholder	any Qualified Investor holder of the Notes.
Notes	the financial instruments named *"€50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 17 July 2035"* (ISIN: IT0005659609).
Professional Segment	the segment of the Euronext Access Milan Market only accessible to professional investors.
Prospectus Regulation	Regulation (EU) No. 1129 of 14 June 2017.
Qualified Investor	the "qualified investors" (*investitori qualificati*) as defined in article 2 of Prospectus Regulation and any applicable provision of Italian laws and regulations, including the Financial Services Act and CONSOB regulations (please see Article 100, para. 1, lett. a), of the Financial Services Act, as implemented by Article 34-*ter*, first paragraph, letter b), of CONSOB Regulation No. 11971 and Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of 29 October 2007).
Terms and Conditions of the Notes	the terms and conditions of the Notes included in section headed "*Terms and Conditions of the Notes*" of this Admission Document.

RESPONSIBLE PERSONS

Responsibility for the Admission Document

The Issuer accepts responsibility for the information contained in this Admission Document.

Declaration of Responsibility

The Issuer, having taken all reasonable care to ensure that such is the case, hereby declares that the information contained in this Admission Document is, to the best of its knowledge, in accordance with the facts and this Admission Document contains no omissions likely to affect the import of such information.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

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

The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but this is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risk of holding any Notes are exhaustive.

The Issuer has identified in this "Risk Factors" section a number of factors, which could materially adversely affect its businesses and ability to make payments due under the Notes. Noteholders should read these risk factors together with the other detailed information set out elsewhere in this Admission Document (including the information incorporated by reference herein) and consider carefully whether an investment in the Notes is suitable for them in light of the information contained in this Admission Document and their personal circumstances, based upon their own judgment and upon the advice from such financial, accounting, legal, tax and other advisers as they may deem necessary.

Words and expressions defined elsewhere in this Admission Document have the same meaning in this section, unless otherwise noted. Noteholders should read the entire Admission Document, including the information incorporated by reference.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks relating to the impact of current macroeconomic conditions on the Issuer and the Group

The Issuer and the Group's business are affected by the macroeconomic conditions, trends in the financial markets in general as well as by the economic condition in Italy in particular, interest rate levels, currency exchange rates, changes in laws and regulations, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank ("**ECB**"), and competitive factors, at a regional, national and international level. Therefore, the future development in the macroeconomic context and any negative variations of the factors described hereafter may restrict the global economic outlook, with a corresponding adverse effect on the Issuer's and the Group's business, results of operations and financial condition.

Interest rate fluctuations may also have an impact on the demand for mortgages and other loan products. More generally, fluctuations in interest rates and in ratings in the Eurozone and in the other markets in which the Issuer and the Group operate influence its performance.

Since the first half of 2022, economic growth slowed globally due mainly to the effects of Russia's invasion of Ukraine.

The Russian invasion has indeed provoked the reaction of other countries, which have launched heavy sanctions against Russia. These measures have generated uncertainty about what the effects on world economies might be, particularly for Europe, which, by geographic proximity and trade relations, is the macro area most vulnerable to the impacts of the crisis. As a result, the United States, Canada, the European Union and other countries and multinational organizations have announced and implemented sanctions of various types against Russia, such as the designation of a number of persons and entities, including major Russian banks, in "blocked person" lists, the removal of certain Russian banks from the SWIFT system that facilitates the transfer of money between banks, a prohibition on providing certain types of financing and financial services to certain companies or banks that are under public control or publicly owned, a prohibition on transactions with certain Russian counterparties, and the imposition of restrictions on the export to Russia of certain goods and technologies. In response to the foregoing sanctions, Russia replied with countersanctions on so-called "unfriendly" states (which specifically include countries of the European Union). Countersanctions imposed by Russia have led to a reduction in supply volumes or even a suspension of gas and oil deliveries. Should economic sanctions escalate further, Russia could take further legal action, which could affect European businesses (with their domicile in an "unfriendly State" from a Russian perspective). In this regard, it should be noted that the Issuer is not directly exposed, in terms of credit risk and financial investments, to parties directly involved in this phenomenon (*i.e.*, the Issuer does not have credit exposures or investments in financial instruments that have, as counterparts, entities involved in the conflict or financial institutions and companies residing in countries involved in the conflict). In any case, the hostilities in Ukraine and the sanctions imposed on Russia, the resulting trade restrictions, the disruptions to global supply chains and the increase in energy, and raw material prices in general, have negatively affected markets and businesses worldwide.

Moreover, mismatches between the supply and demand of goods and services, partially as a result of Russia-Ukraine conflict have contributed to a rise in global inflation. To counter inflation, central banks raised interest rates during 2022 and 2023: in the U.S., the Federal Reserve System terminated its large-scale asset purchases, popularly known as "quantitative easing", and announced a plan to reduce its bond holdings. In addition, the Federal Reserve System implemented benchmark interest rate increases to counteract inflationary pressures; also the European Central Bank implemented interest rate increases and discontinued its asset purchases. All of these factors may adversely affect the Issuer. Uncertainty surrounding the pace of future interest rate fluctuations by major central banks has already resulted in significant volatility in financial markets around the world and such volatility may continue for a prolonged period of time. Any increase in inflation rates and/or interest rates or a potential recession or other periods of declining economic conditions could adversely affect Issuer's business, results of operations and financial condition and have a negative effect on the securities markets generally.

In addition, recent tensions in the Middle East, including the Israel-Hamas conflict commenced in October 2023, the escalation to a series of direct confrontations between Israel and Iran in April 2024 and the escalation of hostilities between Israel and the Hezbollah militant group in September 2024, have caused volatility and instability and there is a risk that these events could potentially escalate into a wider regional conflict. Since November 2023, the Al-Houthi militia in Yemen has also launched several attacks on commercial shipping vessels in the Red Sea, which resulted in significant disruption to global trade routes. The current situation is affecting consumer price pressure and could also affect the economic growth of the Eurozone. These elements of uncertainty could lead to an alteration of normal market dynamics and, more generally, of business operating conditions.

Therefore, the economic outlook is still conditioned by a high degree of uncertainty that depends, *inter alia*, on the evolution and duration of the above-mentioned conflicts.

In addition to the above, the macroeconomic framework could be influenced by: (i) new international trade policies; (ii) other global geopolitical tensions (including the trade disputes between the United States and China and the related protectionist initiatives that have been introduced); (iii) concerns over levels of economic growth and consumer confidence generally; (iv) future developments of the European Central Bank's ("**ECB**") monetary policy in the Euro area, the Federal Reserve system in the Dollar area, and the policies implemented by other countries aimed at promoting competitive devaluations of their currencies; (v) the availability and cost of credit; (vi) the stability and solvency of the financial institutions and other companies; (vii) the sustainability of the sovereign debt of certain countries and related recurring tensions on the financial markets; (viii) the volatile trend in the price of oil and gas; (ix) the outcome of the elections recently concluded in Europe and in the U.S. as at the date of this Admission Document; and (x) the potential negative impacts on the economy arising from climate change and global warming at both a global and regional level.

Rising market tensions might negatively affect the funding costs and economic outlook of some EU member states.

This, together with the risk that one or more EU member States could decide either (i) to hold referenda as to their membership of the EU, or (ii) in the case of EU Member States that adopted the Euro as their national currency, to adopt an alternative currency, could lead to the deterioration of the EU's economic and financial situation with a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses, and significant changes to financial activities both at market and retail level. The materialization of these risks could have a significant adverse impact on global economic conditions and the stability of international financial markets and a material and negative impact on the Group and/or on the Group's clients, with negative implications for the Group's business, results and financial position.

Lingering market tensions might negatively affect the global economy and hamper the recovery of the Euro area.

At the date of the Admission Document, it remains unclear whether Italy and some European economies will be able to make a significant, structural turnaround over the medium to long term. Any further deterioration of the Italian economy would have a material adverse effect on the Group's business, in light of the Group's significant exposure to the Italian economy.

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the Euro area, the global markets remain characterised by high uncertainty and volatility. Any further acceleration of the European sovereign debt crisis is likely to significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by the Group as well as the financial resources of the Group's clients holding similar securities. The occurrence of any of the above events may cause the Group to suffer losses, increases in funding costs and a diminution in the value of its assets, with a potential adverse effect on the Group's liquidity, financial position and results of transactions, including its ability to access the capital and financial markets and to refinance debt in order to meet its funding requirements.

Any of the foregoing could have a material adverse effect on the Issuer's and the Group's business, results of operations and financial condition.

Risks related to Italian financial conditions and sovereign ratings

Alongside the international macroeconomic situation, there are also specific risks associated with the current economic, financial and political conditions in Italy. Italy is the main country in which the Issuer operates, therefore, its business is particularly sensitive to investor perception of the country's reliability and solidity of its financial condition as well as prospects for its economic growth.

Sovereign credit risk is the risk that the Italian government is not able to repay amounts due on its securities in whole or in part when due. There is a strong correlation between sovereign ratings and the debt sustainability of a country which, exceeding a certain threshold as perceived by the market or recommended by public institutions, creates uncertainty and market volatility, and may also trigger sovereign downgrades by rating agencies. In general, a high level of sovereign debt is perceived as an increased risk of potential sovereign default (with a consequential knock-on effect on other market operators).

Based on the methodologies used by rating agencies, a potential downgrade of Italy's credit rating may have a knock-on effect on the credit rating of Italian issuers. Any downgrade of the Italian sovereign credit rating, or the perception that such a downgrade may occur, may destabilise the markets and have an adverse effect on the Issuer's operating results, capital and liquidity position, financial condition and prospects, as well as on the marketability of the Notes. If sentiment towards the banks and/or other financial institutions operating in Italy were to deteriorate materially, or if the Issuer's ratings, if any, and/or the ratings of the sector were to be further adversely affected, this may have an adverse impact on the Issuer. In addition, such change in sentiment or reduction in ratings could result in an increase in the costs and a reduction in the availability of wholesale market funding across the financial sector which could have an adverse effect on the liquidity funding and value of the assets of all Italian financial services institutions, including the Issuer.

Credit risk and risk of credit quality deterioration

Credit risk is defined as the risk of incurring losses resulting from the possibility that a counterparty, beneficiary of a loan or issuer of a debt securities will not be able to meet its obligations (repayment in due course of interest and/or principal or any other amount due - default risk). In a broader sense, credit risk can also be defined as the potential loss arising from the default of the borrower/issuer or from a decrease in the market value of a financial obligation, due to the deterioration of its credit quality.

The Issuer's business depends, to a substantial degree, on the creditworthiness of its customers. Notwithstanding the controls it carries out, including customer credit checks, it faces normal lending risks and thus may not, for reasons beyond its control (such as fraudulent behaviour by customers), have access to all the relevant information on a particular customer, their financial position or their ability to pay amounts owed or repay amounts borrowed. Although the Issuer has implemented a specific process for identifying and managing credit risk, any failure by customers to report their financial and credit position accurately or to comply with the terms of the loan agreements to which they are party could have an adverse effect on the Issuer's and the Group's business and financial results. In addition, any failure by the Issuer to correctly assess the creditworthiness of its customers or any failure in its customer vetting system could have an adverse effect on the Issuer's and the Group's business and financial results.

Moreover, counterparties may fail to satisfy their obligations to the Issuer due to bankruptcy, shortage of liquidity, operating malfunctions or other reasons. The bankruptcy of an important market player, or even merely the possibility of default by them, may significantly affect the Issuer's and the Group's liquidity and could give rise to losses or default on the part of other institutions, which could in turn have a negative impact on the Issuer and the Group. The Issuer may also be subject to risks in certain circumstances when some of its claims against its counterparties may not be paid when due. In addition, a lowering in the counterparty credit rating of the Issuer's debtors, including the Republic of Italy (as better described under paragraph headed "*Risks* *related to Italian financial conditions and sovereign debt*", above), in which the Issuer holds securities and bonds, could lead to losses and/or have a negative impact on the Issuer's and the Group's ability to reduce its exposure or use securities in a different way for liquidity purposes. A significant downgrade of the credit rating of the Issuer's counterparties could therefore have a negative impact on the profits and financial results of the Issuer and the Group. While in many cases the Issuer may demand further security, guarantees or other collateral from counterparties in financial difficulty, disputes could arise regarding the value of such guarantees and/or the assets subject to guarantee.

Credit risk of the Issuer mainly results from past investment activity in securities, loans, or assets underlying securitization transactions and from the Issuer's new core business (*i.e.*, credit to small and medium-sized businesses).

With reference to the credit quality, the Group's classification of impaired credit follows the definition of "default" under the European Regulation on prudential requirements for credit institutions and investment firms (article 178 of Regulation (EU) No. 575/2013 of the European Parliament and the European Council on 26 June 2013). From a prudential perspective, consistent with the provisions contained in the Circular of Bank of Italy No. 285 of 17 December 2013, as amended from time to time by the Bank of Italy ("**Circular No. 285**"), relating to banking groups, the Group measures credit risk for regulatory purposes by applying the standard methodology, from a current and prospective perspective, in baseline and adverse scenarios. In addition, to calculate concentration risk, the Bank uses the granularity adjustment methodology for single name concentration risk and the ABI methodology for geo-sector concentration risk.

In connection with the non-performing exposures, the Group is exposed to the risks associated with a further deterioration of such exposures. Notwithstanding the assessment of the non-performing loans portfolios carried out by the Group, an unexpected deterioration in the quality of the assets could derive also from a further deterioration of the generalised economic situation, the average length of judicial and/or enforcement proceedings before the Italian courts or the reference sector of the customers of the Group.

Thus, a further deterioration in credit quality and the consequent significant increase of non-performing loans due to the borrowers' reduced ability to meet their repayment obligations may adversely affect the Issuer's liquidity position by increasing the relevant provisions and the funds required to cover non-performing loans, which would in turn adversely affect the ability to finance through the Issuer's own funds and its results of operations, business and financial condition.

Credit risk could be further negatively impacted by economic impacts related to the ongoing Conflict, which could lead to a deterioration of the credit portfolio with an increase in non-performing exposure and further impairment deriving from write-downs and depreciations of assets and a lower demand for credit services and savings products with potential negative effects on the activities, business perspectives and economic and financial situation of the Issuer and/or the Group.

In order to verify the quality of the receivables portfolio, the Issuer has implemented credit monitoring and management procedures through the adoption of detailed and accurate risk management methodologies, assessments and processes, which, however, may be ineffective in some cases and lead to a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer is subject to capital requirements that could limit its operations

The Issuer is subject to capital adequacy guidelines. The capital adequacy evaluation under a regulatory perspective is based on the constant monitoring of their own funds, the risk-weighted assets, as well as on the comparison with the minimum regulatory requirements and the additional capital buffers provided for by the applicable legislative provisions.

On 15 January 2025 following the results of the SREP performed by the Bank of Italy, the Issuer received the final decision of the Bank of Italy regarding the regulatory capital requirements to be complied with, at a consolidated basis, starting from 31 March 2025. Based on the above SREP decision, the Issuer is required to meet on a consolidated basis both a minimum CET1 Ratio of 10.20%, a minimum Tier1 Ratio of 12.20% and a minimum Total Capital Ratio of 14.70% according to Pillar 2 Guidance. The overall minimum requirement in terms of CET 1 ratio amount at 8.20%, equal to the sum of the minimum capital requirements set out under the CRR (4.5%), the Pillar 2 Requirement (1.20%) and the capital buffer requirements (2.50%). The Pillar 2 Guidance was set at 2%.

For more information about the capital adequacy requirements applicable to the Issuer see the paragraphs headed "*Basel III and the CRD IV Package*" and "*The CRD Reform Package*" below.

Noteholders should consider that supervisory authorities may impose further requirements and/or buffers for the purpose of capital adequacy requirements or may adopt interpretation approaches of the legislation governing prudential fund requirements unfavourable to the Issuer, with the consequent inability of the Issuer to comply with the requirements imposed and with a potential negative impact, even material, on the business and capital, economic and financial conditions of the Issuer, which may give rise to the need to adopt further capital enhancement measures and/or limitations on Issuer's distributions.

Furthermore, the evaluation of the capital adequacy level is affected by various factors, among which is the need to deal with the impact of new and potentially strictier requirements under a regulatory standpoint announced by the EU regulator, the need to support functional plans for a swifter reduction of the stock of non-performing loans and/or the assessment of market scenarios which could be particularly challenging and which could require adequate capital resources to support the level of assets and investments of the Issuer with potential limitations on the operation of the Issuer.

It cannot be excluded that, in the future, the Issuer may be required, also in light of external factors and unforeseeable events outside of its control and/or after further requests by the supervisory authority, to undertake capital enhancement interventions; also, the Issuer may not be able to achieve in the prescribed timeframes and/or maintain (both at individual and consolidated level) the minimum capital requirements required by the legislation in force from time to time or established from time to time by the Competent Authority, thereby potentially causing a material negative impact on the business and capital, economic and financial condition of the Issuer.

Operational risk

The Group's activities require, among other things, a capacity to carry out transactions efficiently and accurately, in compliance with the regulations applicable. In carrying out its business, the Group is exposed to operational risk, namely the risk of losses arising from shortcomings, malfunctioning or weaknesses in internal procedures, human resources and systems or due to external factors. It includes losses deriving from fraud, human error, operating breakdowns, system unavailability, contractual defaults and natural disasters. It does not include strategic or reputation risks but it does include legal risk (*i.e.*, the risk created by violations or non-compliance with laws and regulations or scant transparency about the rights and obligations of counterparties in a transaction) and conduct risk (*i.e.*, the risk of losses resulting from the inappropriate supply of financial services and the resulting litigation costs, including wilful or negligent conduct).

At the date of this Admission Document, the operational risk mitigation and containment strategies implemented by the Issuer are such as to limit the possible negative effects and are not considered to have a significant impact on its solvency.

With reference to capital requirements in respect of operational risks, the Issuer adopts the basic method ("**Basic Indicator Approach**" or "**BIA**"). On the basis of such method, the capital requirement in respect of operation risks is measured by applying the regulatory coefficient of 15% to an indicator of the volume of business operations identified in the relevant indicator established by article 316 of Regulation 573/13 (CRR). In order to measure the capital requirement for operational risk, the average value of the relevant indicator over the last three years (if positive) is therefore weighted with the coefficient indicated above.

The Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks (especially those due to potential exogenous factors such as external and internal fraud), including that the Issuer may fail to identify or anticipate such risks, and any failure or weakness in these systems could adversely affect the Issuer's and the Group's financial performance and business activities.

Risk deriving from climate change

Climate change is a material risk with possibly more limited effects over the short term, however potentially catastrophic over the long term. The Group is subject to the following risks associated with climate change:

(i) physical risk could lead to increased credit exposure and companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulation or market shifts;

(ii) transition risk denotes the financial loss that an institution may incur, directly or indirectly, as a result of the adjustment process to a low-carbon and more environmentally sustainable economy. This could be caused, for example, by the relatively sudden adoption of climate and environmental policies, technological progress, or changing market confidence and preferences. Transition risk might affect the value of the Group's investments linked to activities, sectors or countries having a high carbon footprint. This risk may also manifest as reputational risk resulting from trade relations with companies in the coal sector. As a result, the policies put in place by the Group may not be fully effective in mitigating the Group's exposure to transition risk or against all risks falling into this category, including risks that the Group fails to identify or anticipate due to the high degree of uncertainty, such as political, social and market dynamics and technological changes; and

(iii) market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing frequency of severe weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation.

Following the adoption of the Paris Agreement on climate change and the United Nations 2030 Agenda for Sustainable Development in 2015, governments are taking steps to transition to more circular and low-carbon economies on a global scale. Moreover, the Regulator - both at the European level (ECB and EBA) and at the national level (Bank of Italy) - has significantly accelerated the approaches required of banking players to identify and manage risks arising, *inter alia*, from climate and environmental issues.

Therefore, the credit institutions should frame climate and environmental risks as part of a strategic, comprehensive and forward-looking approach.

As of the date of this Admission Document, the Group does not expect that the climate-related risks to which it is exposed have consequences on the impairment or fair value of the assets. Therefore, it cannot be excluded that the possible development of models capable of more fully factoring in climate and environmental risks may result in different valuations.

Risks related to deferred tax assets

Deferred Tax Assets ("**DTA**") probability of recovery is based on reasonable income forecasts that can be inferred from strategic and forward-looking plans approved by the Board of Directors, also taking into account that, for IRES purposes, the legislation provides for the carrying forward of tax losses without any time limit. Therefore, adverse changes in income forecasts could result in DTA write-off for irrecoverability.

Although it does not define a time period within which to evaluate the recoverability of the DTAs, the accounting standard IAS 12, for which ESMA provided specific guidelines on 15 July 2019, specifies that the longer the forecast on future income extends, the greater the unforeseen events and circumstances, beyond the company's control, which will impact the reliability of the forecasts on future taxable income. On this point, ESMA therefore recommends the production of a specific and detailed disclosure within the financial statement document reporting the greatest possible level of detail in relation to the significance of the DTAs and the estimates used with regard to their recognition.

Furthermore, the recoverability of all DTAs could be negatively affected by changes in current tax legislation, which are currently unforeseeable, resulting in a possible write-off for the Group.

Risks related to litigation and legal and tax proceedings

In the course of its ordinary business, the Issuer and the companies of the Group may be involved in disputes and litigation with European authorities, public authorities, supervisory authorities, tax authorities, competitors, employees, customers and other parties, which could result in restitution and compensation obligations for the Issuer.

The Issuer 2024 Consolidated Annual Financial Statements include €6,664,290 set aside as Other Provisions for Liabilities and Charges (*Altri fondi per rischi e oneri*), including €4,862,172 for legal and tax disputes and related estimated legal expenses.

The accounting provisions (*accantonamenti*) are determined according to the estimated risk of a negative outcome of the relevant proceedings, based on the Issuer or the relevant members of the Group's assessment in accordance with applicable law and regulatory provisions, and in accordance with the Group's policies and procedures. A provision is recognised when and only when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount of any such accounting provision, if any, is then determined as the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The accounting provisions (*accantonamenti*) are periodically reviewed on the basis of the progress of the relevant proceedings.

Accordingly, the liabilities that may be incurred as a consequence of legal and tax proceedings are uncertain and provisions made, if any, may be insufficient to fully cover any charges, expenses, or sanctions as well as damages associated with such proceedings. The Issuer and the Group may in the future be called to pay compensation and restitution costs not covered by provisions, with a potential negative impact on the business and the economic, capital and/or financial condition of the Issuer and the Group.

Furthermore, while carrying out their ordinary business, the Issuer may be subject to inspections by the supervisory authorities that may give rise to requests for organisational interventions and enhancement of safeguards aimed at remedying any deficiencies found. The results of such inspections may lead to sanctioning proceedings against the relevant company's representatives and employees and, as a consequence thereof, compensatory requests, fines imposed by supervisory authorities, other sanctions and/or reputational damage.

Litigation and regulatory proceedings are inherently unpredictable. Legal or regulatory proceedings in which the Issuer and/or any member of the Group is or comes to be involved (or settlements thereof) may adversely affect the Issuer's and the Group's results of operations and/or financial condition.

Interest rate and price risks

Fluctuations in interest rates in Italy affect the Issuer's and the Group's financial performance. The results of the Issuer's and the Group's banking operations are affected by their management of interest rate sensitivity and, in particular, changes in market interest rates. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Issuer's and the Group's financial condition and results of operations. Rising interest rates in line with the yield curve can increase the Issuer's and the Group's cost of funding at a higher rate than the yield on its assets, due (for example) to a mismatch in the maturities of its assets and liabilities that are sensitive to interest rate changes or a mismatch in the degree of interest rate sensitivity of assets and liabilities with similar maturities. At the same time, decreasing interest rates can also reduce the yield on the Issuer's and the Group's assets at a rate which may not correspond to the decrease in the cost of funding.

The Group calculates the exposure to interest rate risk on the banking book according to the method as indicated by the supervisory regulations (see Circular no. 285/2013 - Title III, Chapter 1, Annex C). The calculation is carried out by subdividing assets and liabilities into time bands, determining the net exposure for each bracket and applying an interest rate shock to each of them (determined using the 1st and 99th percentile methodology of the historical series of long-term rates and applying the additional shock scenarios in line with EBA/GL/2022/14, as indicated by Circular no. 285/2013 of the Bank of Italy), which multiplied by the approximate modified duration is indicative of the variation in value of the individual items sensitive to interest rate risk.

The method adopted for risk calculation is that of the simplified system for measuring the internal capital against such risk, as indicated by the supervisory regulations (simplified methodology provided for in Annexes C and C-bis of Circular No. 285). The method takes the form of classifying assets and liabilities into time bands based on their residual life (fixed-rate assets and liabilities) or the date of interest rate renegotiation (floating-rate assets and liabilities), the weighting of net positions within each band, to the sum of the weighted exposures of the different bands, and to the determination of the indicator of riskiness (ratio of weighted net exposure to own funds).

The Group, regardless of the methodology used to calculate internal capital under ordinary/stress conditions, always assesses the impact of a hypothetical change in rates in prudential shock scenarios applied to interest rates, in order to verify that the reduction in economic value does not exceed 15% of Tier 1 capital (the so-called Supervisory Outlier Test) and that, in the case of interest margin analyses, there is no sharp decrease in net interest income.

A significant change in interest rates may have a negative impact on the value of the assets and liabilities held by the Issuer and the Group and, consequently, on the operating result and capital and/or financial position of the Issuer and the Group.

Liquidity risks

Liquidity risk refers to the risk that an issuer may be unable to fulfil its obligations when they become due. This risk includes the possibility that the company is unable to meet its payment commitments due to its inability to raise financial resources at market costs (funding liquidity risk) or to an inability to liquidate its own assets without incurring capital losses (market liquidity risk). This occurs when internal (specific crisis) or external (macroeconomic conditions) events result in the Issuer having to deal with a sudden reduction of available liquidity or with a sudden need to increase the funding. Liquidity risk also includes the risk of having to meet payment obligations at non-market conditions, *i.e.*, incurring high funding costs and/or capital losses in the event of asset divestment. The main sources of the Issuer's liquidity risk are related to its core activities of collecting savings and granting loans.

The liquidity position of the Group may be prejudiced by a number of factors that are also outside of its control. These relate to both the macroeconomic/regulatory context in which it operates and the specific situation of the Group itself. Such factors may determine the impossibility of accessing capital markets through the issuance of debt securities, the inability to receive funds from counterparties which are external to the Group, unexpected cash outflows, devaluation of certain assets and/or the inability to liquidate them.

The Group monitors its liquidity levels to ensure its short-term structural stability, finance its growth and mitigate its liquidity risk.

The Group has adopted a funding diversification strategy that gives it access to a wide variety of sources of funds and a funding mix to avail itself of the best long-term market conditions. Its main source of funds consists of retail customers' deposits, but, at the same time, it has access to other sources, including the interbank market and the repurchase agreement market. Accordingly, its funding is diversified by product, investor and maturity. This diversification is essential to ensure the sound and prudent management of liquidity risk.

Despite the above measures put in place by the Group, it cannot be ruled out that unknown and unexpected events might occur which could negatively affect the Group's operations and its ability to meet its financial obligations.

Risks relating to non-compliance with laws and regulations

The Issuer, to the extent that it exercises the banking activity, is subject to regulation and specific supervision of the Bank of Italy, the ECB, and CONSOB; furthermore, the Issuer is also subject to regulation and specific supervision of other national authorities, competent for specific regulations.

In the exercise of their supervisory powers, the Bank of Italy, the ECB, and CONSOB and the other supervisory authorities may request organizational controls aimed at remedying any possible deficiencies found that may have a negative impact on the economic, capital and/or financial condition of the Issuer and the Group. The extent of any such potential deficiencies may also determine the start of sanctions proceedings against the Issuer and/or representatives of the Issuer, with possible negative impacts on its economic, capital, reputational and/or financial conditions. In the most serious cases, the supervisory authority may suspend or revoke the Issuer's authorisations, licences or concessions, or prohibit it from conducting its business or from advertising its services. Any of the above scenarios could have a material adverse effect on the Issuer's business activities and financial performance which, in turn, may affect its ability to meet its payment obligations under the Notes. Furthermore, sanctioning proceedings may have significant reputational impacts on the Issuer and the Group, with a consequent potential negative impact on the business and the economic, capital and/or the financial condition of the Issuer and the Group.

In light of the above, the Issuer may find itself in the future, also in light of external factors and unforeseeable events outside of its control, having to acknowledge failed compliance with qualitative requirements, with the consequent need to comply with further requests of the supervisory authorities as well as the failure to comply with quantitative requirements set by such authorities.

The Issuer provides frequent and regular information to the supervisory authorities on its strategic, business and operational activities.

Risks relating to the Business Plan

In February 2023, the Board of Directors of the Issuer approved the Business Plan, as better described under section "*Information about the Issuer*", paragraph headed "*Business Strategy*".

The Issuer's ability to meet its strategic objectives depends on a number of assumptions and circumstances, some of which are outside the Issuer's control, including those related to developments in the macroeconomic and political environments in which the Issuer operates, developments in applicable laws and regulations and assumptions related to the effects of specific action or future events which the Issuer can only partially manage. Any failure to implement the strategic objective or meet the strategic objective may have a material adverse effect on the Issuer's and the Group business, financial condition or results of operations.

Risks relating to the competition in the banking and financial sector

The Issuer operates in a competitive market context and is accordingly exposed to risks deriving from the competitive pressure of the market. Those risks are connected in particular to: (i) the implementation of EU directives aimed at strengthening and harmonising the EU banking sector; (ii) the evolution of customer needs; (iii) the dissemination of technological innovations also introduced by fintech companies; (iv) new incumbent players; and (v) other factors not necessarily under the Issuer's control.

There is no assurance that the Issuer will always be able to compete successfully in the future against existing or potential competitors. Therefore, should the Issuer be unable to adequately deal with competitive pressure, there could occur a reduction of the Issuer's profitability.

Risk related to the development and change in banking sector regulation

The Issuer is subject to complex and strict regulations at an individual and/or consolidated basis, as well as to the supervisory activity performed by the relevant authorities (in particular, the Bank of Italy and CONSOB). The aforementioned supervisory activities are subject to continuous updates and developments in laws, regulations, guidelines and practices. The Issuer is subject, in addition to the supranational and national rules and the primary or regulatory rules of the financial and banking sector, to specific rules on, *inter alia*, anti-money laundering, usury, data protection and consumer protection. Although the Issuer undertakes to comply with such rules and regulations, any changes of the rules and/or changes of the interpretation and/or implementation of the same by the Competent Authority could give rise to new burdens and obligations for the Issuer, with possible negative impacts on the operational results and the economic and financial situation of the Issuer.

Moreover, the Issuer faces the risk that the relevant Competent Authority may find it has failed to comply with applicable regulation and any such regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, the Bank, which could lead to a reputational damage for the Issuer and the Group. In addition, any significant regulatory action against the Issuer could lead to financial losses as a result of regulatory fines, reprimands or litigations, and, in extreme scenarios, to the suspension of operations or even withdrawal of authorizations, thus having a material adverse effect on the Issuer's and the Group's business, results of operations and its financial conditions, or even its ability to run its ordinary business, which would be reflected in the Group's consolidated results.

Furthermore, any material and unforeseeable change in the laws or regulations of the European Union and/or Italy impacting on the status of the Notes or the application thereof may in certain circumstances result in the Issuer having the discretion to early redeem the Notes in whole and, in certain circumstances to the extent permitted by law, in part. In any such case, the Notes (or part thereof) would be cancelled, which could materially and adversely affect investors and frustrate investment strategies and goals.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

Basel III and the CRD IV Package

The Issuer must comply with the revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, which impose requirements for, among other things, higher and better quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards, in terms of banking prudential regulations.

The Basel III framework has been implemented in the European Union through new banking requirements: Directive 2013/36/EU of the European Parliament and the European Council on 26 June 2013 which relates to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV**"), and Regulation (EU) No. 575/2013 of the European Parliament and the European Council on 26 June 2013 which relates to prudential requirements for credit institution and investment firms (the "**CRR**" and together with the CRD IV, the "**CRD IV Package**"), subsequently updated and supplemented, *inter alia*, with the Directive (EU) 2019/878 (the "**CRD V**") and Regulation (EU) 2019/876 (the "**CRR II**" and, together with the CRD V, the "**EU Banking Package**"). The EU Banking Package includes: (i) the CRR II amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements; and (ii) the CRD V amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The revisions better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions. Such measures entered into force on 27 June 2019, while: a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent); and b) the CRD V was implemented in Italy by Legislative Decree No. 182/2021. Legislative Decree No. 182/2021 introduced measures dealing with, among others, the following: (i) bank's qualifying holdings authorisation procedures; (ii) Competent Authorities' powers to impose additional own funds' requirements; (iii) authorisation regime applicable to financial holding companies and mixed financial holding companies; and (iv) regime governing the banking groups and introduction of the status of "intermediate EU parent". The CRD IV and CRR, as amended by the EU Banking Package, are also supplemented by technical standards published through delegated regulations of the European Commission and guidelines of the European Banking Authority ("**EBA**").

National options and discretions under the CRD IV Package, as amended by the EU Banking Package, are exercised by the Single Supervisory Mechanism ("**SSM**") in a largely harmonised manner throughout the European banking union.

On 13 April 2017, the ECB published a guideline, last amended in March 2022, and a recommendation addressed to national Competent Authorities ("**NCAs**") concerning the exercise of options and national discretions available in European Union law that affect banks (as the Issuer) which are directly supervised by NCAs (*i.e.*, less significant institutions). The aim of the guideline is to ensure a level playing field and the smooth functioning of the euro area banking system as a whole.

On 8 November 2024, the ECB launched a public consultation on its revised policies for applying options and discretions available in the European Union law. The consultation ended on 24 January 2025. Most of the changes proposed by the ECB are needed because of legislative changes introduced by CRR III and CRD VI. In addition, the ECB is also proposing to introduce some changes to its recommendation addressed to NCAs to reflect other legislative changes introduced since the last review in 2021 and to further clarify how the ECB exercises certain options and national discretions in practice. Depending on the manner in which options/discretions are exercised by NCAs and the SSM, additional/lower capital requirements may result.

The Bank of Italy published the supervisory regulations on banks in December 2013 (Circular No. 285) which came into force on 1 January 2014 and which has been amended over time in order to implement, *inter alia*, the CRD IV Package, as lastly amended by the EU Banking Package, and set out additional local prudential rules concerning matters not harmonised at EU level. Circular No. 285 has been constantly updated after its first issue, the last update being the 49th update, published on 23 July 2024.

Regulators and supervisory authorities are taking an increasingly strict approach to regulations and their enforcement that may not be to the Issuer's benefit. In addition, the interpretation and the application by regulators of the laws and regulations to which the Issuer is subject may also change from time to time. Furthermore, the Issuer faces the risk that the relevant supervisory authority may find it has failed to comply with applicable regulation and any such regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, such supervised entity, which could lead to reputational damage for the Issuer. Any significant regulatory action against the Issuer could lead to financial losses as a result of regulatory fines, reprimands or litigations, and, in extreme scenarios, to the suspension of operations or even withdrawal of authorisations, thus having a material adverse effect on the Issuer's and the Group's business, results of operations and its financial conditions (see also the paragraph headed "*Risk related to the development and change in banking sector regulation–Capital Requirements*" below for further information).

Furthermore, the introduction of new regulations may require the Issuer to comply with new capital and liquidity requirements and standards that are not foreseeable by the Issuer at this time. Moreover, compliance with such new regulations may require the Issuer to incur substantial costs deriving from having to adapt its services and products and internal and external control structures in order to comply with new potential regulations. The occurrence of these events may have a negative impact on the Issuer's and the Group's business and/or financial condition.

Capital Requirements

According to Article 92 of the CRR, institutions shall at all times satisfy the following own funds requirements: (i) a Common Equity Tier 1 ("**CET1**") Capital ratio of 4.5%; (ii) a Tier 1 Capital ratio of 6%; (iii) a Total Capital ratio of 8%; and (iv) a leverage ratio of 3% These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:

- *Capital conservation buffer*: set at 2.5% from 1 January 2019 (pursuant to article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285);

- *Counter-cyclical capital buffer* ("**CcyB**"): set by the relevant Competent Authority between 0% and 2.5% of credit risk exposures towards counterparties of each of the home Member State, other Member States and third countries (but may be set higher than 2.5% where the Competent Authority considers that the conditions in the Member State justify this), with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV and Part I, Title II, Chapter I, Section III of Circular No. 285). The Bank of Italy has set, and decided to maintain, the CcyB (relating to exposures towards Italian counterparties) at 0% for the third quarter of 2025. The specific counter-cyclical capital rate of the Issuer amounted to 0%;

- *Capital buffers for globally systemically important banks* ("**G-SIBs**"): set as an "additional loss absorbency" buffer varying depending on the sub-categories on which the globally systemically important institutions ("**G-SIIs**") are divided into. The lowest sub-category shall be assigned a G-SII buffer of 1 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR, as amended by CRR II, and the buffer assigned to each sub-category shall increase in gradients of at least 0.5% of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR, as amended by CRR II. G-SIBs are determined according to specific indicators (size, interconnectedness, lack of substitutes for the services provided, global cross-border activity and complexity) and, being phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285), became fully effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board ("**FSB**") on 26 November 2024 (updated annually), the Issuer is not a G-SIB and does not need to comply with a G-SII capital buffer requirement; and

- *Capital buffers for other systemically important institutions at domestic level* ("**O-SIIs**"): up to 3.0% as set by the relevant Competent Authority (and must be reviewed at least annually), to compensate for the higher risk that such banks represent to the domestic financial system (Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285). The Bank of Italy has not identified the Issuer as an O-SII and the Issuer does not need to comply with an O-SII capital buffer requirement.

In addition to the above capital buffers, under Article 133 of CRD V, European Member States may introduce a systemic risk buffer of CET1 Capital in order to prevent and mitigate macroprudential or systemic risk not covered by the CRD IV Package. With update No. 38 of 22 February 2022, the Circular No. 285 was amended in order to provide, *inter alia*, the introduction of:

(i) the possibility for the Bank of Italy to activate the systemic risk buffer ("**SyRB**") for banks and banking groups authorised in Italy. In particular, the requirement to maintain a systemic risk buffer of CET1 is intended to prevent and mitigate macro-prudential or systemic risks not otherwise covered with the macroprudential instruments provided for by the CRR, the anti-cyclical capital buffer and the capital buffers for G-SII and for O-SII. The buffer ratio for systemic risk can be applied to all exposures or to a subset of exposures and to all banks or to one or more subsets of banks with similar risk profiles; and

(ii) some macro-prudential instruments based on the characteristics of customers or loans (so-called "borrower-based measures"). Specifically, these are measures that are not harmonised at the European level, which can be used to counter systemic risks deriving from developments in the real estate market and from high or rising levels of household and non-financial corporate debt.

On 26 April 2024, the Bank of Italy has decided to apply to all licensed banks in Italy a SyRB equal to 1.0% of credit and counterparty risk-weighted exposures to residents in Italy. The target rate of 1.0% is to be achieved gradually by building up a reserve equal to 0.5% of material exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025.

Failure by an institution to comply with the buffer requirements may trigger restrictions on distributions by reference to the so-called maximum distributable amounts and the need for the bank to adopt a capital conservation plan and take remedial action (Articles 141 and 142 of the CRD IV and Part I, Title II, Chapter I, Section VI of Circular No. 285).

In addition, the Issuer is subject to the Pillar 2 requirement ("**Pillar 2 Requirement**"). The Pillar 2 Requirement must be fulfilled with at least 56.25% CET1 Capital and at least 75% Tier 1 capital. Competent Authority may require that the institution fulfils its additional own funds requirement with a higher portion of Tier 1 Capital or CET1 Capital where necessary (while having regard to specific circumstances of the relevant institution).

The CRD V also introduces a so-called "guidance on additional own funds" requirement (the "**Pillar 2 Guidance**"), which sets a level and quality of capital the relevant credit institution is expected to hold in excess of its overall capital requirement. The Pillar 2 Guidance will be based on expectations of Competent Authorities for each institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and combined buffer requirement in order to address forward-looking and remote situations. A failure to meet the Pillar 2 Guidance does not trigger automatic restrictions on distributions provided for in Articles 141 to 141b of the CRD IV or Article 16a of the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014. However, where an institution repeatedly fails to meet the Pillar 2 Guidance, the Competent Authority is entitled to take supervisory measures and, where appropriate, impose additional own funds requirements.

With update no. 39 of 13 July 2022, the Circular No. 285 was amended in order to fully transpose into the Italian secondary level legislation the provisions laid down by CRD V as to the Pillar 2 Requirements and Pillar 2 Guidance. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular 285 provide, *inter alia*, the introduction of: (i) a clear differentiation between components of the Pillar 2 Requirement estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and (ii) the possibility for supervisory authorities to include additional own funds in case of excessive leverage risk, under both ordinary and stressed conditions.

According to EBA's guidelines to national supervisors on common procedures and methodologies for the supervisory review and evaluation process ("**SREP**") and supervisory stress testing (the "**SREP Guidelines**"), as most recently updated on 18 March 2022, Competent Authorities may, on the basis of the vulnerabilities and deficiencies identified in the SREP assessment, among other things, restrict or prohibit distributions or interest payments by a credit institution to members or holders of its Additional Tier 1 Capital instruments, as provided by Article 104 (1 (i)) of the CRD IV. Accordingly, the additional Pillar 2 Requirement that may be imposed on the Issuer by the Bank of Italy pursuant to the SREP will require the Issuer to hold capital levels above the Pillar 1 requirement.

Following the results of the SREP performed by the Bank of Italy on 6 April 2023, the Issuer is required to meet on a consolidated basis both a minimum CET1 Ratio of 10.20%, a minimum Tier1 Ratio of 12.20% and a minimum Total Capital Ratio of 14.70% according to the Pillar 2 Guidance.

As part of the CRD IV Package transitional arrangements, as implemented by Circular No. 285, regulatory capital recognition of outstanding instruments, which qualified as Tier 1 and Tier 2 capital instruments under the framework which the CRD IV Package has replaced, have been gradually phased out.

The CRD IV Package also introduced the LCR. This is a stress liquidity measure based on modelled 30-day outflows. Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing the CRR with regard to liquidity coverage requirement for credit institutions (the "**LCR Delegated Act**") was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. On 20 May 2022, amendments to the LCR Delegated Act were published in the Official Journal (Commission Delegated Regulation (EU) 2022/786 of 10 February 2022) and has applied as of July 2022. Most of these amendments have been introduced to better allow the credit institutions issuing covered bonds to comply, on one hand, with the general liquidity coverage requirement for a 30-calendar day stress period and, on the other hand, with the cover pool liquidity buffer requirement, as laid down by Directive (EU) 2019/2162 of the European Parliament and of the Council. Most of these amendments are related to the entry into force of the new securitisation framework on 1 January 2019. The net stable funding ratio ("**NSFR**") is part of the Basel III framework and aims to promote resilience over a longer time horizon (one year) by creating incentives for banks to fund their activities with more stable sources of funding on an ongoing basis. The NSFR has been introduced as a requirement in the CRR II published in June 2019 and is applicable from June 2021.

The CRD IV Package also introduced a new leverage ratio with the aim of restricting the level of leverage that an institution can take on to ensure that its assets are in line with its capital. The Leverage Ratio Delegated Regulation (EU) 2015/62 was adopted on 10 October 2014 and was published in the Official Journal of the European Union in January 2015, amending the calculation of the leverage Ratio compared to the current text of the CRD IV Regulation.

The CRR II introduced a binding leverage ratio requirement, as a backstop to risk-weighted capital requirements and set at 3 per cent. of an institution's Tier 1 capital according to which is required to maintain a minimum leverage ratio of 3% ("**Leverage Ratio**").

The Issuer faces the risk that the relevant Competent Authority may find it has failed to comply with the above applicable capital and liquidity requirements and/or guidance and this could restrict or limit the type or volume of transactions in which the Issuer may participate and/or have potential negative impact on the business, capital, economic and financial condition of the Issuer, their credit ratings and funding conditions and, in extreme scenarios, could lead to the suspension of operations or even withdrawal of authorizations, thus having a material adverse effect on the Issuer's and the Group's business, results of operations and financial conditions, which would be reflected in the Issuer's and Group's consolidated results. In addition, the Competent Authority, can and does impose on the Issuer, as permitted by such rules, additional requirements with respect to its capital, which may restrict the Issuer's operational flexibility and may, should it fail to meet such requirements, require the Issuer to adopt additional measures imposed by Competent Authority.

ECB Single Supervisory Mechanism

On 15 October 2013, the Council of the European Union adopted Regulation (EU) No. 1024/2013 establishing a SSM for all banks in the euro area which have, beginning in November 2014, given the ECB, in conjunction with the NCAs of the Eurozone states, direct supervisory responsibility over "significant credit institutions" in the Banking Union. NCAs (for Italy, the Bank of Italy) continue to directly supervise banks (as the Issuer) which are less significant institutions or "LSIs". The SSM framework regulation (Regulation (EU) No. 468/2014 of the ECB), setting out the practical arrangements for the SSM, was published in April 2014 and entered into force in May 2014.

Banks directly supervised by the ECB include any Eurozone bank that: (i) has assets greater than €30 billion or – unless the total value of its assets is below €5 billion – greater than 20% of national gross domestic product; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; and (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities. Irrespective to the fulfilment of these criteria, the ECB, on its own initiative after consulting with NCAs or upon request by NCAs, may declare an institution significant to ensure the consistent application of high-quality supervisory standard. At the date thereof, the Issuer is qualified as a less significant institution directly supervised by the Bank of Italy.

Also with reference to a less significant institution, the ECB is exclusively responsible to, *inter alia*: (i) authorise and withdraw the banking licence; and (ii) assess acquisition of a bank's qualifying holdings. In order to foster consistency and efficiency of supervisory practices across the EU, the EBA Single Rulebook seeks to provide a single text of harmonised prudential rules which institutions throughout the EU must respect.

The CRD Reform Package

In December 2017, the Basel Committee on banking supervision ("**BCBS**") published its final set of amendments to the Basel III framework (known as "**Basel IV**"), introducing a range of measures, including:

- changes to the standardised approach for the calculation of credit risk;
- limitations to the use of Internal Ratings-Based ("**IRB**") approaches; mainly banks will be allowed to use the foundation IRB approach and the standardised approach with the advanced IRB approach still to be used for specialised lending;
- a new framework for determining an institution's operational risk charge, which will be calculated only by using a new standardised approach;
- an amended set of rules in relation to credit valuation adjustment; and
- an aggregate output capital floor that ensures that an institution's total risk weighted assets generated by IRB models are no lower than 72.5% of those generated by the standardised approach.

While the Basel IV standards were set to be implemented starting from January 2022, in response to the COVID-19 crisis, the BCBS decided in March 2020 to postpone the implementation deadline by one year to 1 January 2025, followed by a five-year phasing-in period of certain elements of the reform.

On 19 June 2024, Directive (EU) 1619/2024 of the European Parliament and Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks ("**CRD VI**") and Regulation (EU) 1623/2024 of the European Parliament and Council of 31 May 2024 amending Regulation (EU) 2013/575 as regards requirements for credit risks, credit valuation, adjustment risk, operational risk and the output floor ("**CRR III**") were published in the Official Journal of the European Union and entered into force on 9 July 2024. Save for certain exemptions, most of the provisions set forth in CRR III apply from 1 January 2025, while the domestic acts and regulations enacted by the Member States to implement the changes brought by CRD VI shall become effective on 11 January 2026. On 31 October 2024, the Delegated Regulation (EU) 2024/2795 amending the CRR in relation to the market risk requirement was published in the Official Journal of the European Union and postponed the date of application of the *Fundamental Review of the Trading Book* to 1 January 2026. Subsequently, on 12 June 2025, the European Commission adopted a further delegated act, which postpones the application date of the *Fundamental Review of the Trading Book* to 1 January 2027. Until then, the current market risk requirements, including the calculation of own funds requirements for market risk, market risk reporting and disclosure requirements, remain applicable.

The main changes introduced by CRD VI and CRR III relate to:

- the introduction of the output floor to reduce the excess variability of banks' capital requirements calculated with internal models. Notably, the output floor works as a lower limit ("floor") on the capital requirements ("output") the banks calculate when using their internal models. The output floor aims at enhancing the confidence in risk-based capital requirements and to improve the solidity of banks that make use of internal models, making capital requirements more comparable across banks;
- implementation of the Basel III agreement to strengthen Union banks' resilience face at the main risk areas (credit risk, market risk and operational risk);

- Environmental, Social and Governance ("**ESG**") risk. Under the newly introduced banking package, banks would need to draw up transition plans under the prudential framework that will need to be consistent with the sustainability commitments banks undertake under other pieces of Union laws, such as the Corporate Sustainability Reporting Directive. Competent authorities will oversee how banks handle ESG risks and include ESG considerations in the context of the annual supervisory examination review (*i.e.*, SREP);

- strengthened supervision. The supervisory powers and tools have been increased and further harmonized. Notably, supervisors will be given more powers to check if certain transactions (*e.g.*, large acquisitions) undertaken by banks are sound and do not entail excessive risks for banks; and

- clear rules for third-country banks operating in the European Union. The CRD VI will introduce minimum harmonising conditions on the establishment of third-country banks in the EU.

Once CRD VI and CRR III are fully implemented and transposed in the European Union, the regulatory changes brought by these pieces of legislation will impact on the entire banking system and consequently could determine changes in the capital calculation and capital requirements, which at the date of this Admission Document cannot be entirely quantified. These regulatory changes will impact on the entire banking system and could determine changes in the capital calculation and increase capital requirements. However, as of the date of this Admission Document, the Banking Reform Package must still be completely implemented as, while the CRR III came into effect on January 2025, the CRD VI must still be transposed by the EU Member States, and it is not yet clear how and to what extent this legislative proposal may impact on the operations of the Issuer and/or the Group.

The EBA has been conducting regular and ad-hoc quantitative impact studies to assess or monitor the impact of various rules on the EU banking sector. Regular monitoring exercise includes also a monitoring exercise to assess the impact of the Basel III framework on a sample of EU banks that the EBA conducts in coordination and in parallel with the BCBS. This exercise assesses the impact of the latest regulatory developments at the BCBS level in the following area: (a) global regulatory framework for more resilient banks and banking systems; (b) the Liquidity Coverage Ratio and liquidity risk monitoring tools; (c) the leverage ratio framework and disclosure requirements; (d) the Net Stable Funding Ratio; and (e) the post-crisis reforms.

On 4 October 2024, the EBA published its third mandatory Basel III Monitoring Report which assesses the impact that Basel III's full implementation will have on EU banks in 2033. According to this assessment, the full Basel III implementation would result in an average increase of 7.8% at the full implementation date in 2033 of the current Tier 1 minimum required capital. The main contribution factors are the output floor and the operational risks. Thus, to comply with the new framework, banks would need €0.9 billion of additional Tier 1 capital.

On July 2020, the European Commission adopted a legislative package on capital markets recovery (the "**Capital Markets Recovery Package**") as part of its overall strategy to tackle the economic impacts of the COVID-19 pandemic. Under the Capital Markets Recovery Package targeted amendments to (i) the Prospectus Regulation and Directive 2004/109/EC (such amendments having been introduced by Regulation (EU) 2021/337), (ii) the MiFID II (such amendments having been introduced by Directive (EU) 2021/338) and (iii) the Securitisation Regulation (such amendments having been introduced by Regulation (EU) 2021/557) have been introduced in the EU legislative framework.

On 9 January 2025, the EBA published its final Guidelines on the management of ESG risks. The Guidelines set out requirements for institutions for the identification, measurement, management and monitoring of ESG risks, including through plans aimed at ensuring their resilience in the short, medium and long term.

Any change in the laws or regulations of Italy or the application thereof may in certain circumstances result in the Issuer having the option to redeem the Notes in whole and in certain circumstances in part. In any such case, the Notes (or part thereof) would cease to be outstanding, which could materially and adversely affect investors and frustrate investment strategies and goals. Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

BRRD and SRMR

*The Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") is intended to enable a range of actions to be taken in relation to credit institutions, investment firms, certain financial institutions and certain holding companies (each a relevant entity) considered to be at risk of failing. The taking of any such actions (or the perception that the taking of any such action may occur) could materially adversely affect the value of any Notes and/or the rights of Noteholders.*

The BRRD was implemented in Italy with the Legislative Decrees 180 and 181 of 16 November 2015 as amended by the Directive (EU) 2019/879 (the "**BRRD II**") and implemented in Italy by Legislative Decree No. 193 of 8 November 2021 published in the Gazzetta Ufficiale on 30 November 2021 (the "**193 Decree**"). The Bank of Italy is the national resolution authority for Italy and it is in charge of resolution and crisis management of non-significant banks (such as the Issuer). Since January 2016, the Bank of Italy's tasks have been performed in the context of the Single Resolution Mechanism ("**SRM**") established by the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 ("**Single Resolution Mechanism Regulation**" or "**SRMR**" as amended by Regulation (EU) 2019/877 of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019 ("**SRMR II**") and applying from 28 December 2020, and subsequently amended by Regulations (EU) 2019/2033 and 2021/23) which sets out uniform rules and procedures for the resolution involving significant credit institutions or those with cross-border activity within the euro area, as well as certain investment firms under the SRM and the SRF. The SRM and BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing.

The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) or in combination with other resolution tools where the relevant resolution authority considers that: (a) a relevant entity is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe; and (c) a resolution action is in the public interest; these are: (i) sale of business - which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity and/or to convert certain unsecured debt claims (including Subordinated Notes) into shares or other instruments of ownership (*i.e.*, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"). Such shares or other instruments of ownership could also be subject to any future application of the BRRD. The aim of the bail-in is to absorb losses and recapitalise the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimising losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings. In the context of the bail-in, losses may be transferred, following a priority order and net of the exclusions provided for by the regulations, to shareholders, holders of subordinated debt securities, holders of senior non preferred securities, holders of not subordinated and unsecured debt securities, other unsecured creditors and, finally, depositors for the portion exceeding the guaranteed portion, *i.e.*, for the portion exceeding €100,000 per depositor.

Furthermore, if the conditions are met, the Resolution Authorities may request the use of the SRF referred to in the SRMR, financed by contributions paid by banks.

In addition, because: (i) Article 44(2) of the BRRD excludes certain liabilities from the application of the General Bail-In Tool; and (ii) the BRRD provides, at Article 44(3), that the resolution authority may, in specified exceptional circumstances, partially or fully exclude certain further liabilities from the application of the General Bail-In Tool, the BRRD specifically contemplates that *pari passu* ranking liabilities may be treated unequally. Accordingly, holders of the Subordinated Notes may be subject to write-down or conversion upon an application of the General Bail-In Tool. Furthermore, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as appropriate, creditors of greater losses as a result of the application of the relevant tool than they would have incurred in a winding up under normal insolvency proceedings. It is therefore possible not only that the claims of other holders of junior or *pari passu* liabilities may have been excluded from the application of the General Bail-In Tool and therefore the holders of such claims receive a treatment which is more favourable than that received by holders of Subordinated Notes, but also that the safeguard referred to above does not apply to ensure equal (or better) treatment compared to the holders of such fully or partially excluded claims because the safeguard is not intended to address such possible unequal treatment but rather to ensure that shareholders or creditors do not incur greater losses in a bail-in (or other application of a resolution tool) than they would have received in a winding up under normal insolvency proceedings.

A relevant entity will be considered as failing or likely to fail when: (a) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (d) it requires extraordinary public financial support (except in limited circumstances).

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of certain debt instruments (such as the Notes) issued by an institution under resolution or amend the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

The BRRD requires all EU Member States to create a national, prefunded resolution fund (reaching a level of at least 1% of covered deposits by 2024). The national resolution fund for Italy was created by the Bank of Italy on 18 November 2015 in accordance with Article 78 of Legislative Decree No. 180/2015 implementing the

BRRD (the "**National Resolution Fund**") and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms, including the Issuer. In the Eurozone, the national resolution funds set up under the BRRD were complemented by the Single Resolution Fund in the relevant Member State (the "**SRF**" or the "**Fund**"), set up under the control of the SRB, as of 1 January 2016 and the national resolution funds have been pooled together gradually. The SRF is intended to ensure the availability of funding support while a bank is resolved and will contribute to resolution if, and only after, at least 8% of the total liabilities (including own funds) of the bank have been subject to bail-in. The SRF is expected to reach a target of around €80 billion (the basis being 1% of the covered deposits in the financial institutions of the Eurozone). At the beginning of 2025, the SRB verified that, at the reference date (31 December 2024), the Fund amounted to €80 billion, which is above the 1% of covered deposits. Therefore, unless needed, no collection of annual contributions is foreseen until the next verification exercise, due to take place towards the beginning of 2026.

The BRRD also provides for a Member State as a last resort, after having assessed and applied the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable while maintaining financial stability and subject to certain other conditions, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD.

As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalisation, EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

In addition to the General Bail-In Tool and other resolution tools, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments (such as Subordinated Notes) at the point of non-viability and before any other resolution action is taken with losses taken in accordance with the priority of claims under normal insolvency proceedings ("**BRRD Non-Viability Loss Absorption**"). Any shares or other instruments of ownership issued to holders of Subordinated Notes upon any such conversion may in turn be subject to any future application of the General Bail-In Tool.

For the purposes of the application of any BRRD Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which: (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken); or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or, in certain circumstances, its group will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) are written-down or converted; or (iii) extraordinary public support is to be provided and without such support the appropriate authority determines that the institution and/or, as appropriate, its group would no longer be viable.

The BRRD also introduces requirements for banks to maintain, at all times, a sufficient aggregate amount of own funds and eligible liabilities (the Minimum Requirement for Own Funds and Eligible Liabilities, "**MREL**") expressed as a percentage of the total liabilities and own funds of the institution. The aim is that the minimum amount should be proportionate and adapted for each category of bank on the basis of their risk or the composition of their sources of funding and to ensure adequate capitalisation to continue exercising critical functions post resolution.

The BRRD II has been implemented in Italy by the Legislative Decree 193/2021, which provides for, among other measures:

- the determination of a minimum unit value for bonds and debt securities (article 12-*ter* of the Italian Banking Act) issued by credit institutions and investment firms:
    - €200,000 for subordinated bonds and other subordinated securities; and
    - €150,000 for senior non preferred debt instruments ("*strumenti di debito chirografario di secondo livello"*);
- the nullity of contracts entered into with non-professional investors (relating to investment services having as their object the instruments referred to in article 12-*ter* of the Italian Banking Act issued after 1 December 2021 or equivalent instruments when issued by subjects having their registered office in a third country, under certain conditions) that do not respect the minimum unit value (Article 25-quater of the Financial Services Act); and
- the elimination of the ban on the placement of senior non preferred debt instruments with non-qualified investors (article 5 of Legislative Decree 193/2021), subject to the abovementioned provisions.

On 18 April 2023, the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance ("**CMDI**") framework. The package consists of four legislative proposals that would amend existing EU legislation: the BRRD, the Deposit Guarantee Scheme Directive ("**DGSD**") and the SRMR. New aspects of the framework could include: i) expanding the scope of resolution through a revision of the public interest assessment to include a regional impact so more eurozone banks could be brought into the resolution framework; ii) the use of deposit guarantee schemes to help banks, especially the small ones, to meet a key threshold for bearing losses of 8% of their own funds and liabilities, which then allows them to have access to the Single Resolution Fund, also funded by bank contributions, and help sell the problem banks' assets and fund their exit from the market; and iii) amending the hierarchy of claims in insolvency and scrapping the "super-preference" of the DGSD to put all deposits on equal pegging in an insolvency, but still above ordinary unsecured creditors with the aim of enabling the use of DGSD funds in measures other than pay out of covered deposits without violating the least cost test. Lastly, on 25 June 2025, the Council and the European Parliament reached a political agreement on the CMDI proposal. The co-legislators will have to finalise the legal text at technical level. Both legislators will then formally adopt the new framework before it becomes law. By now, the co-legislators are finalising the legal text at technical level, a process whose duration and outcome remains uncertain as at the date of this Admission Document.

Furthermore, as part of the CMDI package the Commission also adopted a targeted amendment of the BRRD and of the SRMR as a separate legal instrument (the "**Daisy Chains proposal**") to address specific issues on the treatment of "internal MREL", with specific regard with the prudential regulatory framework for credit institutions operating in the Union. Specifically, on 24 April 2024, Directive (EU) 2024/1174 of the European Parliament and Council of 11 April 2024, amending Directive 2014/59/EU and Regulation (EU) 2014/806 as regards certain aspects of the minimum requirements for own funds and eligible liabilities, was published in the European Official Journal (the "**Daisy Chain Act**"). Among the others, the new rules of the Daisy Chain Act aim to give the resolution authorities the power of setting internal MREL on a consolidated basis subject to certain conditions. Where the resolution authority allows a bank or a banking group to apply such consolidated treatment, the intermediate subsidiaries will not be obliged to deduct their individual holdings of internal MREL.

Moreover, the Daisy Chain Act would introduce a specific MREL treatment for "liquidation entities". Those are defined as entities within a banking group earmarked for winding-up in accordance with insolvency laws, which would, therefore, not be subject to resolution action (conversion or write-down of MREL instruments). On this basis and as a rule, liquidation entities will not be obliged to comply with an MREL requirement unless the resolution authority decides otherwise on a case-by-case basis for financial stability protection reasons. The own funds of these liquidation entities issued to the intermediate entities will not need to be reduced except when they represent material share of the own funds and eligible liabilities of the intermediate entity.

The amendments introduced by the Daisy Chain Act have been bettered detailed in the SRB Communication on the Daisy Chain Act, published on 30 September 2024, according to Article 12-*quater* (2) of the SRMR, as amended by Article 2 of the Daisy Chain Act:

- the SRB shall not determine the MREL for liquidation entities unless it considers justified to determine said requirement in an amount exceeding the amount sufficient to absorb losses; and
- Article 77(2) and Article 78-*bis* of the CRR, setting for the prior authorisation regime to reduce eligible liabilities instruments, shall not apply to liquidation entities for which the board of the SRB has not determined a MREL.

The above changes apply from 14 November 2024. The SRB announced that – in line with the principles of good administration and legal certainty – in the course of 2024 resolution planning cycle, the previously adopted decisions setting the MREL at level equal to the loss absorption amount will be repealed with effect as of 14 November 2024. As of the date of this Admission Document:

- the Issuer has been designed as a liquidation entity;
- the Issuer is subject to minimum MREL binding requirement on an individual basis, both in terms of Total Risk Exposure Amount ("**TREA**", calculated pursuant to Article 92(3) CRR), and Leverage Ratio Exposure Measure ("**LRE**", calculated pursuant to Articles 429 and 429 *bis* CRR), in accordance with the BRRD as implemented in Italy with the Legislative Decree No. 180 of November 2015; and
- the Issuer is required to meet the following minimum MREL requirements: (i) 10.20% of TREA; and (ii) 3% of LRE.

The Issuer is subject to the BRRD, as amended and implemented in Italy from time to time, which is intended to enable a wide range of actions that could be taken towards institutions considered to be at risk of failing. The taking of any action under the BRRD against the Issuer could materially affect the value of, or any repayments linked to, the Notes and/or the rights of Noteholders.

Risks associated with ECB guidance on NPL provisioning

On 20 March 2017, the ECB published its final guidance on NPLs. It outlines measures, processes and best practices which banks should incorporate when tackling NPLs. The ECB expects banks to fully adhere to the guidance in line with the severity and scale of NPLs in their portfolios. On 15 March 2018, the ECB published an addendum to the guidance mentioned above, which sets out the ECB's supervisory expectations for prudent levels of provisions for new NPLs. On 30 January 2018, the Bank of Italy issued guidance on NPLs applicable to less significant Italian institutions.

The ECB guidance calls on banks to implement realistic and ambitious strategies to work towards a holistic approach regarding the problem of NPLs. This includes areas such as governance and risk management. For instance, banks should ensure that managers are incentivised to carry out NPL reduction strategies. This should also be closely managed by their management bodies. The ECB does not stipulate quantitative targets to reduce NPLs. Instead, it asks banks to devise a strategy that could include a range of policy options, such as NPL work-out, servicing and portfolio sales.

The ECB guidance is applicable as of its date of publication and is non-binding in nature. However, banks should explain and substantiate any deviations upon supervisory request. This guidance is taken into consideration in the SRM regular SREP and non-compliance may trigger supervisory measures. To this end, the EU Regulation no. 2019/630 of the European Parliament and of the Council of 17 April 2019 amending CRR as regards minimum loss coverage for non-performing exposures has been adopted and introduces a "statutory prudential backstop" to prevent the risk of under provisioning of future NPLs. In case of breach of the minimum loss coverage requirements, the Issuer will be required to deduct short-fall from its own funds.

The ECB guidance does not intend to substitute or supersede any applicable regulatory or accounting requirement or guidance from existing EU regulations or directives and their national transpositions or equivalent, or guidelines issued by the EBA. Instead, the guidance is a supervisory tool with the aim of clarifying the supervisory expectations regarding NPL identification, management, measurement and write-offs in areas where existing regulations, directives or guidelines are silent or lack specificity. Where binding laws, accounting rules and national regulations on the same topic exist, banks should comply with those. It is also expected that banks do not enlarge already existing deviations between regulatory and accounting views in the light of this guidance, but rather the opposite: whenever possible, banks should foster a timely convergence of regulatory and accounting views where those differ substantially.

Moreover, on 24 July 2020, the European Commission presented amendments to review, *inter alia*, some regulatory constraints in order to facilitate the securitisation of NPLs (*i.e.*, increasing the risk sensitivity for non-performing exposures securitisations by assigning different risk weights to senior tranche) in order to promote the economic recovery after the COVID-19 crisis. The new measures entered into force on 9 April 2021.

In addition, the European Commission published in December 2020 a new action plan on tackling NPLs. In more detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular call for finalisation of the Directive on credit servicers, credit purchasers and the recovery of collateral; establishing a data hub at European level; reviewing EBA templates to be used during the disposal of NPLs); (ii) reform the EU's corporate insolvency and debt recovery legislation; (iii) support the establishment and cooperation of national asset management companies at EU level; and (iv) introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's BRRD and State aid frameworks. As a result, the European Commission published on 18 October 2022 the Communication on the guidelines for a best-execution process for sales of non-performing loans on secondary markets. The main objectives of such communication are to (i) encourage good sell and buy-side processes for NPL transactions in EU secondary markets and, in particular, (ii) help sellers and buyers that may have less experience with secondary market transactions throughout the sale process.

To further improve the transparency and efficiency of the secondary market for NPLs, on 16 June 2021 the European Commission initiated a public consultation aimed at identifying and gathering information on remaining obstacles to the proper functioning of secondary markets for NPLs as well as possibly enabling actions that could be taken to foster these markets by improving the quantity, quality and comparability of NPL data. The public consultation ended on 8 September 2021. On 8 December 2021, the European Commission finalised and published, in the Official Journal of the European Union, Directive no. 2021/2167 on credit services and credit purchasers (the "**NPLs Directive**"). The NPLs Directive is aimed at achieving (i) a better management of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure ("**AECE**"); (ii) the development of secondary markets for NPLs in the EU's markets by harmonising the regulatory regime for credit servicers and credit purchasers. The NPLs Directive entered into force on the twentieth day following that of its publication in the Official Journal (*i.e.*, 28 December 2021) and was transposed into Italian law through Legislative Decree No. 116 of 30 July 2024. The transposition process was then completed on 13 January 2025, when the Bank of Italy published the "Supervisory Provisions for the Management of Non-Performing Loans". The part of the NPLs Directive related to the AECE mechanism has not been adopted yet.

On 12 December 2017, the European Parliament adopted the Regulation (EU) 2017/2402 ("**EU Securitisation Regulation**") which has applied from 1 January 2019. The EU Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the EU Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the relevant existing provisions in CRR, the Regulation (EU) No. 231/2013 (the "**AIFM Regulation**") and the Regulation (EU) No. 25/2015 (the "**Solvency II Regulation**") and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the EU Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations ("**STS-securitisations**").

On 24 July 2020, as part of the Capital Markets Recovery Package, the European Commission presented amendments to review, *inter alia*, some regulatory constraints in order to facilitate the securitisation of non-performing loans (*i.e.*, increasing the risk sensitivity for NPL securitisations by assigning different risk weights to senior tranche). After the approval by the European Parliament at the end of March, on 6 April 2021, the Regulation (EU) 2021/557, which introduces amendments to the Securitisation Regulation and Regulation (EU) 2021/558, amending Regulation (EU) 2013/575 as regards adjustments to the securitisation framework to support the economy recovery in response to the COVID-19 crisis were published on the Official Gazette of the European Union. Both Regulations entered into force on 9 April 2021. Further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which, under article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course, which was followed in December 2023 by the consultation of the European Securities and Markets Authority on the possible options for introducing reforms to the EU reporting regime.

The above recently introduced guidelines and regulations, as well as other new laws and regulations that may be adopted in the future, could restrict or limit the type or volume of transactions in which the Issuer may participate and/or adversely affect the Issuer's and the Group's business, financial condition, results of operations and cash flows.

Market risk

The Issuer and the Group are exposed to market risk. Market risk is attributable to the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can generate on the economic value of the Issuer's portfolio, which includes both assets held in the trading portfolio and assets recorded in the banking portfolio, or operations connected with the typical management of a commercial bank, with potential negative effects on the same economic value.

Risk deriving from potential breaches and/or inadequacy of the Issuer's organisation and management model

Pursuant to Italian Legislative Decree No. 231 of 8 June 2001 (the "**231 Decree**"), the Issuer has in place an organisational, operational and control model (the "**OO Model**").

The OO Model also includes a specific committee (the "**231 Committee**") tasked with verifying the adequacy and effectiveness of such model. The 231 Committee operates under regulations approved by the Issuer's Board of Directors and has a budget for expenses and wide powers of control and inspection at all levels.

Nonetheless, there can be no assurance that the model would be deemed to be adequate by any authority called to consider conduct which falls within the scope of such legislation.

Under the legislation, if a misconduct which falls within the scope of the 231 Decree occurred and the Issuer were found liable, the Issuer could be ordered to pay a fine and, in the most serious cases, it may have its authorisations, licences or concessions suspended or revoked, or be prohibited from conducting its business, from contracting with governmental entities or from advertising its services. Any of the above scenarios could have a material adverse effect on the Issuer's business activities and financial performance which in turn may affect its ability to meet its payment obligations under the Notes. Furthermore, possible convictions of the Issuer or other Group entities pursuant to the 231 Decree may have significant reputational impacts on the Issuer itself and the Group, with a consequential negative impact on the business and the economic, capital and/or financial condition of the Issuer and the Group.

Risks deriving from the single counterparties or groups of connected counterparties

The activities of the Issuer and the exposure of its banking portfolio to counterparties and groups of connected counterparties in the same industry are subject to concentration risks that stem from the range of services currently provided.

The Issuer is mainly subject to a single-name concentration risk which occurs when the Issuer's credit portfolio shows significant levels of concentration in transactions with single counterparties or groups of connected counterparties.

High levels of concentration of transactions with single counterparties or groups of connected counterparties in the future and the deterioration of the economic situation of such parties could adversely affect the Issuer's and the Group's business, results of operations and financial position.

Risks associated with ordinary and extraordinary contribution obligations to funds established under the bank resolution framework

As a result of the crisis that has affected various financial institutions since 2008, systems aimed at stemming the risk of banking crises have been introduced at both the European and national levels, the implementation of which entails disbursements by credit institutions (in favour of the banking system as a whole).

The ordinary contribution obligations may have a negative impact on the Issuer's capital resources if the level of ordinary contributions required from the Issuer increase in the future. In addition, it cannot be excluded that, due to unforeseeable circumstances, the "*Fondo Interbancario di Tutela dei Depositi*" – "*Interbank Deposit Protection Fund*" will not request new extraordinary contributions in the future. Any such increase would have a significant impact on the capital and financial position of the Issuer and would likely reduce the Issuer's and Group's profitability.

Risks associated with compliance with data protection regulation

The entry into force of the European Regulation 2016/679 on data protection (General Data Protection Regulation, "**GDPR**") requested companies operating in the European Union to review their data protection management model in order to comply with the requirements set forth by GDPR. GDPR has introduced significant changes in the measures and procedures to be adopted to ensure the protection of personal data (including an effective privacy organizational model, the role of data protection officer and obligations to notify particular data breaches), thus increasing the level of protection of individuals and introducing, among other things, more significant sanctions applicable to data controllers and processors in the event of a breach of the GDPR provisions.

The Issuer is exposed to the risk of being involved in claims brought by individuals whose data has been processed for damages caused by (i) the breach of rules relating to data protection or (ii) the incorrect processing of such protected data. Failure to comply or maintain compliance with GDPR rules or to adapt the Issuer's risk management structure to comply with GDPR prescriptions could cause considerable damage to the Issuer and its reputation and may result in regulatory fines and litigation, which could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

Risks associated with systems and information technology interruption and breaches in data security

The Issuer is reliant on computer, information and communications technology and related systems, which may be subject to temporary system interruptions and delays. If the Issuer is unable to continually implement, improve and add software and hardware, effectively upgrade its systems and network infrastructure and take other steps to improve the efficiency of and protect its systems, systems operation could be interrupted or delayed or the Issuer's data security could be breached. In addition, the data supporting the Issuer's business and corporate activities need to be effectively protected, both from unauthorized access (confidentiality) and from unauthorized changes (integrity), and be made constantly available (availability). Failure to meet any of the above requirements may lead to the interruption of operations, loss of competitive advantage, vulnerability to fraud or reputational damage.

The Issuer's computer and communications systems and operations could also be damaged or interrupted by natural disasters, power loss, telecommunications failures, acts of war or terrorism, acts of God, computer viruses, physical or electronic break-ins and similar events or disruptions, including breaches by computer hackers and cyber-terrorists.

Any of these or other unpredictable events could cause system interruption, delays, loss of critical data (including private data) or loss of funds, could delay or prevent operations (including the processing of financial transactions and reporting of financial results), could result in the unintentional disclosure of information (including proprietary intellectual property), could lead to illegitimate requests for money by third parties in exchange for such third parties not disclosing information at the disposal of the Issuer following breaches by hackers and could adversely affect the Issuer's business, financial condition, results of operations or prospects.

RISK FACTORS RELATED TO THE NOTES

Capitalised terms used below shall have the meanings given to them in the Terms and Conditions of the Notes, and references to a numbered "Condition" shall be to the relevant Condition under the Terms and Conditions of the Notes.

The Notes are complex instruments that may not be suitable for certain investors

The Notes are complex financial instruments and may not be a suitable investment for certain investors. Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances and, in particular:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Admission Document;

(b) have 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;

(c) have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire principal amount of the Notes could be lost, including following the exercise by the relevant resolution authority of any bail-in power;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Sophisticated institutional investors generally purchase complex financial instruments as part of a wider portfolio strategy, rather than as stand-alone investments, as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to their overall portfolios, and only after performing an intensive analysis of all involved risks. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the market value of the Notes and the impact of this investment on the potential investor's overall investment portfolio.

The Notes are subordinated obligations of the Issuer

The Notes are intended to qualify as Tier 2 capital for regulatory capital purposes in accordance with Part II, Chapter 1 of the Circular No. 285, including any successor regulations, and Article 63 of the CRR.

The Notes constitute unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves, as more fully described in the "*Terms and Conditions of the Notes*".

In the event of the winding-up, dissolution, liquidation or bankruptcy of the Issuer or in the event that the Issuer becomes subject to an order for *Liquidazione Coatta Amministrativa*, the payment obligations of the Issuer under the Notes will rank in right of payment after unsubordinated unsecured creditors (including depositors) of the Issuer and after all creditors of the Issuer holding instruments which are less subordinated than the Notes but at least *pari passu* without any preference among themselves and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the Notes and in priority to the claims of shareholders of the Issuer. In the event of incomplete payment of unsubordinated creditors in the event of a liquidation, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Notes (save as otherwise provided under applicable law from time to time).

Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Although the Notes may pay a higher rate of interest than notes which are not subordinated, there is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment should the Issuer become insolvent.

The Notes may be subject to loss absorption on any application of BRRD resolution tools, including the General Bail-in Tool, or at the point of non-viability of the Issuer

Under the BRRD framework the relevant resolution authority may have the power to apply "resolution" tools if the Issuer is failing or likely to fail, as an alternative to compulsory liquidation proceedings. Specifically, these tools are: (1) the sale of business assets or shares of the Issuer; (2) the establishment of a bridging organization; (3) the separation of the unimpaired assets of the Issuer from those which are deteriorated or impaired; and (4) the General Bail-in Tool, through write-down/conversion into equity of regulatory capital instruments as well as other liabilities of the Issuer (including the Notes) if the relevant conditions are satisfied and in accordance with the creditors' hierarchy provided under the relevant provisions of Italian law.

Furthermore, Article 33(a) of BRRD II, as transposed into national law by the 193 Decree, introduces a new pre-resolution moratorium tool as a temporary measure in an early stage and new suspension powers, which the resolution authority can use within the resolution period. Any suspension of activities can, as stated above, result in the partial or complete suspension of the performance of agreements (including any payment or delivery obligation) entered into by the respective credit institution. The exercise of any such power or any suggestion of such exercise could materially adversely affect the rights of the holders of securities issued by the Issuer, the price or value of their investment in any such security and/or the ability of the credit institution to satisfy its obligations under any such security.

In particular, by its acquisition of a Note (also in the secondary market), each Noteholder acknowledges, accepts, agrees to be bound by and consents to the exercise of any Bail-in Power by a Competent Authority that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or interest on, the Notes into equity or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes, in each case to give effect to the exercise by a Competent Authority of such Bail-in Power. Each Noteholder acknowledges, accepts and agrees that its rights as a Noteholder are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any such power by any Competent Authority.

The exercise of any Bail-in Power, which could result in the Notes being written down or converted into equity pursuant to such statutory measures, or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes, the ability of the Issuer to satisfy its obligations under the Notes, and may have a negative impact on the market value of the Notes.

Noteholders should be aware that, in addition to the General Bail-in Tool, the BRRD provides for Non-Viability Loss Absorption. Any shares issued to Noteholders upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

As a result, the Notes may be subject to a partial or full write-down or conversion to Common Equity Tier 1 instruments of the Issuer. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption may be applied to the Notes and, as a result, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption is applied to the Notes or that such Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

In addition, on 30 November 2021, the 193 Decree implementing the BRRD II was published in the Gazzetta Ufficiale and entered into force on 1 December 2021. The 193 Decree introduces point c-ter) under Article 91 paragraph 1-bis) of the Italian Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Banking Act provides for the following ranking:

(a) subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items (*elementi di fondi propri*) shall rank senior to own funds items (including any instruments only partly recognized as own funds items (*elementi di fondi propri*)) and junior to senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*);

(b) if instruments which qualified in whole or in part as own funds items (*elementi di fondi propri*) cease, in their entirety, to be classified as such, they will rank senior to own fund items (*elementi di fondi propri*) but junior to senior non-preferred instruments.

The provisions also apply to instruments issued before the 193 Decree came into effect (1 December 2021).

In light of the above, if the Notes (which qualify or qualified at any time either in whole or in part as Own Funds items) were to be disqualified entirely as Own Funds items in the future, their ranking would improve compared to subordinated notes which at the relevant time qualify as Own Funds items (in whole or in part) and would rank *pari passu* with additional tier 1 notes and subordinated notes which at the relevant time are not qualified in whole or in part as Own Funds item. In the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay subordinated creditors of the Issuer whose claims rank in priority to the Notes, including those whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Notes which, at the relevant time, qualify as Own Funds items (in whole or in part). Furthermore, if the Notes are fully disqualified as Own Funds items, such Notes would not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive extraordinary financial support in accordance with the EU state aid framework and the BRRD, the burden sharing requirements of such legislation.

For completeness, in certain circumstances if the Issuer were to receive State aid, related precautionary recapitalisation EU state aid rules require that shareholders and junior bondholders (which would include Noteholders) contribute to the costs of restructuring, meaning, *inter alia*, the Notes could be subject to permanent write-down or conversion into equity capital instruments also in this context.

The circumstances under which the relevant resolution authority would use the General Bail-in Tool are currently uncertain

There remains uncertainty as to how or when the General Bail-in Tool may be used and how it would affect the Issuer and the Notes. The determination that all or part of the principal amount of the Notes will be subject to write-down/conversion into equity is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Although there are proposed pre-conditions for the exercise of the General Bail-in Tool, there remains uncertainty regarding the specific factors which the relevant resolution authority would consider in deciding whether to exercise the General Bail-in Tool with respect to a financial institution and/or securities, such as the Notes, issued by that institution. In particular, in determining whether an institution is failing or likely to fail, the relevant resolution authority shall consider a number of factors, including, but not limited to, an institution's capital and liquidity position, governance arrangements and any other elements affecting the institution's continuing authorisation. Moreover, as the final criteria that the relevant resolution authority would consider in exercising any General Bail-in Tool is likely to provide it with discretion, Noteholders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such General Bail-in Tool. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any bail-in tool by the relevant resolution authority may occur which would result in a principal write-off or conversion to equity. The uncertainty may adversely affect the value of any investment in the Notes.

Also, certain provisions of the BRRD remain subject to regulatory technical standards and implementing technical standards to be prepared by the EBA. In addition to the BRRD, it is possible that the application of other relevant laws and any amendments thereto or other similar regulatory proposals, including proposals by the FSB on cross-border recognition of resolution actions, could be used in such a way as to result in the Notes being written down or converted into equity in the manner described above. Any actions by the relevant resolution authority pursuant to the powers granted to it as a result of the transposition of the BRRD, or other measures or proposals relating to the resolution of financial institutions, may adversely affect the rights of Noteholders, the price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

The Issuer is not prohibited from issuing further debt which may rank pari passu with or senior to the Notes

The Terms and Conditions of the Notes place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes or on the amount of securities that it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's bankruptcy. If the Issuer's financial conditions were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including cancellation of interest and reduction of principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

There are no events of default under the Notes

Except as set out in Condition 8 (*Enforcement Event*), the Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, Noteholders will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Early redemption and purchase of the Notes may be restricted

Any early redemption or purchase of Notes is subject to compliance with the then applicable Relevant Regulations, including for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the Notes (in each case to the extent, and in the manner, required by the then applicable Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

   (i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

   (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

   (i) in the case of redemption pursuant to Condition 5.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date; or

   (ii) in case of redemption pursuant to Condition 5.4 (*Redemption for regulatory reasons (Regulatory call)*), a Regulatory Event having occurred in respect of Notes; or

   (iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or

   (iv) the Notes being repurchased for market making purposes, subject in any event to any alternative or additional conditions or requirements or authorisation as may be applicable from time to time under the Relevant Regulations for the time being.

There can be no assurance that the relevant Competent Authority will permit such redemption or purchase. In addition, the Issuer may elect not to exercise any option to redeem the Notes early or at any time. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the period from the Issue Date to the Reset Date.

Regulatory classification of the Notes

The intention of the Issuer is for the Notes to qualify on issue as "Tier 2 capital" for regulatory capital purposes. However, current regulatory practice by the Competent Authority does not require (or customarily provide) a confirmation prior to the issuance of Notes that the Notes will be treated as such.

Although it is the Issuer's intention that the Notes qualify as "Tier 2 capital" there can be no representation that this is or will remain the case during the life of the Notes of that the Notes will be grandfathered under the implementation of future EU capital requirements regulations. If there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion from "Tier 2 Capital" or Notes are not grandfathered, or for any other reason cease to qualify as "Tier 2 Capital" and, in respect of any redemption of the Notes proposed to be made prior to the fifth anniversary of the Issue Date, both of the following conditions are met: (i) the Competent Authority considers such a change to be reasonably certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable by it as at the Issue Date, the Issuer will have the right to redeem the Notes in accordance with Condition 5.4 (*Redemption for regulatory reasons (Regulatory Call)*), subject to, *inter alia*, the prior approval of the relevant Competent Authority and in accordance with the then applicable Relevant Regulations.

During any period in which there is an actual or perceived increase in the likelihood that the Issuer may exercise such rights to redeem the Notes, the price of the Notes may be adversely impacted and may not rise above the redemption price. There can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes. In addition, the occurrence of such event could result in a decrease in the market price of the Notes.

The Notes are not covered by the Italian Inter-Bank Fund for the Protection of Deposits

The obligations in respect of the Notes are not covered by the *Fondo Interbancario di Tutela dei Depositi* (Italian Inter-Bank Fund for the Protection of Deposits).

The Notes are subject to optional redemption by the Issuer

If the Issuer redeems the Notes pursuant to Condition 5.2 (*Redemption for Taxation Reasons*), Condition 5.3 (*Redemption at the Option of the Issuer (Issuer Call)*) or Condition 5.4 (*Redemption for Regulatory Reasons (Regulatory Call)*), such Notes will be redeemed at their principal amount, together with any accrued interest. Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of Notes.

The optional redemption feature is likely to limit the market value of the Notes, as during any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield. Noteholders should consider reinvestment risk in light of other investments available at that time.

Any optional redemption of the Notes is subject, *inter alia*, to the prior approval of the relevant Competent Authority and in accordance with the then applicable Relevant Regulations. See also paragraph headed *"Early redemption and purchase of the Notes may be restricted*" above for further information.

The Rate of Interest applicable to the Notes will be reset on the Reset Date

In particular, the Rate of Interest applicable to the Notes will be reset on the Reset Date. Such Rate of Interest will be determined two Business Days before the Reset Date and as such is not pre-defined at the Issue Date; it may be different from the Initial Rate of Interest and may adversely affect the yield of the Notes and therefore the market value of an investment in the Notes.

Decisions at Noteholders' meetings bind all Noteholders

Provisions for calling meetings of Noteholders are summarised in Condition 11 (*Meetings of Noteholders, Modification and Variation*). Noteholders' meetings may be called to consider matters affecting Noteholders' interests generally, including modifications to the Terms and Conditions relating to the Notes. These provisions permit defined majorities to bind all Noteholders, including those who did not attend and vote at the relevant meeting or who voted against the majority. Any such modifications to the Notes (which may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes and changing the amendment provisions) may have an adverse impact on Noteholders' rights and on the market value of the Notes.

Furthermore, pursuant to Condition 11.2 (*Modification*), the Paying Agent and the Issuer may agree, without the consent of the Noteholders to:

(a) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes that is in the sole opinion of the Issuer not materially prejudicial to the interests of the Noteholders; or

(b) any modification which is of a formal, minor or technical nature or to correct a manifest error including without limitation where required in order to comply with mandatory provisions of law.

Any variation of the Conditions to give effect to any Benchmark Amendment in the circumstances and as otherwise set out in Condition 3.5 (*Reference Rate Replacement*) shall not require the consent of the Noteholders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority. Any such modification shall be binding on the Noteholders.

In addition, if (i) at any time a Regulatory Event, an Alignment Event or a Tax Event occurs and/or (ii) in order to ensure the effectiveness and enforceability of Condition 14 (*Contractual Recognition of Statutory Bail-In Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 (thirty) nor more than 60 (sixty) calendar days' notice to the Paying Agent and the Noteholders, at any time vary the terms of the Notes so that the Notes remain or, as appropriate, become Qualifying Subordinated Notes.

Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances

The provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders' meetings are intended to follow provisions of Italian law that apply to Noteholders' meetings where the Issuer is an Italian unlisted company. As at the date of this Admission Document, the Issuer is an unlisted company but, if its shares are listed on a securities market while the Notes are still outstanding, then the provisions of Italian law that apply to Noteholders' meetings will be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's bylaws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings contained in the Terms and Conditions will correctly reflect provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes.

Change of law

The Terms and Conditions of the Notes will be governed by the laws of Italy. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Italy or administrative practice after the date of this Admission Document and any such change could materially adversely impact the value of the Notes.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Notes. Noteholders are advised not to rely upon the tax summary contained in this Admission Document but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Admission Document.

Limitation on gross-up obligation under the Notes

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

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or *pro rata* commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Noteholders should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Reform of "benchmarks" such as EURIBOR

Interest rates and indices which are deemed to be "benchmarks" (including the euro interbank offered rate ("**EURIBOR**")) are the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion (including the transition away from LIBOR), and "benchmarks" remain subject to ongoing monitoring. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") was published in the official journal of the EU on 29 June 2016 and has applied from 1 January 2018. The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on the Notes, including, without limitation, that the methodology or other terms of the EURIBOR could be changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the EURIBOR.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

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

Pursuant to the Terms and Conditions of the Notes, if in relation to a Reset Interest Period, the 5-year Mid-Swap Rate cannot be determined because the annual mid-swap rate for euro swaps with a term of five years (the "**Mid-Swap Rate**") does not appear on the Screen Page at the Relevant Time, a fallback mechanism provides that the Mid-Swap Rate applicable to such Reset Interest Period will be determined by the Paying Agent by averaging quotes obtained from reference banks, if available, or, if no such quotes are available, the applicable Mid Swap Rate will be an amount equal to the 5-year Mid-Swap Rate that most recently appeared on the Screen Page. As a result, if the Paying Agent is unable to obtain such quotes and rates, the Notes will effectively become fixed rate notes for the relevant Reset Interest Period (the "**Fallback Mechanism**").

Additionally, if the Issuer determines that the Mid-Swap Rate (the "**Original Reference Rate**") or the 6-month EURIBOR rate has ceased to be published or has been subject to a material change or has been discontinued or is prohibited from being used or is subject to restrictions or adverse consequences if used or is no longer available in the circumstances described in the Terms and Conditions of the Notes (a "**Rate Event**"), then the Issuer shall use reasonable endeavours to determine, acting in good faith and in a commercially reasonable manner, a successor benchmark rate that has replaced the Original Reference Rate (a "**Successor Reference Rate**") or if the Issuer cannot determine a Successor Reference Rate, the Issuer may appoint an Independent Adviser to determine an alternative rate that is considered to have replaced the Original Reference Rate in customary market usage or is otherwise reasonably determined to be the most comparable to the Original Reference Rate in accordance with the terms of Condition 3.5 (*Interest – Reference Rate Replacement*) (the "**Alternative Reference Rate**"). Any such determination may also result in changes to, *inter alia*, the day count convention, definition of business day and/or Reset Rate of Interest Determination Date and any method for obtaining the Original Reference Rate if such Alternative Reference Rate is unavailable on the relevant business day, in a manner that has broad market support for such Alternative Reference Rate. If the Issuer determines that a Rate Event has occurred, but the Issuer is unable to determine a Successor Reference Rate or the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by the Issuer is unable to determine an Alternative Reference Rate or the Issuer fails to determine an Alternative Reference Rate, the Original Reference Rate for the affected Reset Interest Period will be determined in accordance with the Fallback Mechanism described above.

The use of a Successor Reference Rate or an Alternative Reference Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Notes if the Original Reference Rate remained available in its current form. Furthermore, the Issuer may have to exercise its discretion to determine (or to elect not to determine) a Successor Reference Rate or an Alternative Reference Rate, including if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by the Issuer fails to determine an Alternative Reference Rate, in a situation in which it is presented with a conflict of interest.

More generally, any of the above changes or any other consequential changes to any "benchmark" on which interest payments under the Notes are based as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Noteholders should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes referencing a "benchmark".

No physical document of title issued in respect of the Notes

The Notes will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Jointed Regulation.

In no circumstance would physical documents of title be issued in respect of the Notes. While the Notes are represented by book entries, Noteholders will be able to trade their beneficial interests only through Euronext Securities Milan and Euronext Securities MilanAccount Holders. As the Notes are held in dematerialised form with Euronext Securities Milan, Noteholders will have to rely on the procedures of Euronext Securities Milanand Euronext Securities MilanAccount Holders, for transfer, payment and communication with the Issuer.

Potential conflicts of interest

The Issuer will act as Paying Agent for the Notes and a conflict of interest may arise being the Issuer engaged in its other banking activities from time to time and in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

RISKS RELATED TO THE MARKET GENERALLY

The Notes will be admitted to trading on the Professional Segment of the multi trading facility Euronext Access Milan, managed by Borsa Italiana and this circumstance may have an impact on the liquidity and the possible volatility of the price of the Notes

The Issuer has made an application to list the Notes on the Professional Segment of the Euronext Access Milan Market, reserved to Qualified Investors, being the only entities admitted to trading on such multi trading facility.

The trading of the Notes will not be assisted by a specialist undertaking to maintain the liquidity of the Notes on the multi trading facility. Therefore, any Qualified Investor wishing to sell the Notes before their redemption may have difficulties in finding a counterparty and therefore in liquidating its investment, with the risk of having to sell at a discount. In fact, the sale price will be influenced by various elements, among which:

(a) movements in interest and market rates;

(b) features of the market in which the Notes will be traded;

(c) changes in the credit worthiness of the Issuer.

Therefore, when setting out their financial strategies, Noteholders should take into account that the duration of their investment may be equal to the duration of the Notes.

The secondary market generally

Although applications have been made for the Notes to be admitted to trading on the Professional Segment of the Euronext Access Milan Market, Qualified Investors segment, the Notes will have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and may not continue for the life of the Notes. Therefore, Noteholders 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. Illiquidity may have a severely adverse effect on the market value of the Notes.

Moreover, although pursuant to Condition 5.5 (*Purchases*) the Issuer or any of its Subsidiaries can purchase the Notes at any moment, this is not an obligation for the Issuer. Purchases made by the Issuer or any of its Subsidiaries could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, the market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other Western and other industrialised countries. There can be no assurance that events in Italy, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Admission Document), whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

The market value of the Notes could decrease if the creditworthiness of the Issuer or the Issuer's group worsens

If the likelihood decreases that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due, for example, because of the materialisation of any of the risks regarding the Issuer, the market value of the Notes will fall. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Furthermore, the market participants' estimation of the creditworthiness of debtors operating in the same business as the Issuer could adversely change.

If any of these risks materialises, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes will decrease.

Risk relating to the fact that the Notes will not be rated

At the date of the Admission Document, the Issuer has not applied for a rating to be granted to the Notes by any rating agency. Therefore, no synthetic indicator is available to represent the risk relating to the Notes.

However, Noteholders should consider that the absence of any crediting rating relating to the Notes is not *per se* an indication of the risks relating to the Notes.

Although no rating will be granted to the Notes as at the Issue Date, it cannot be ruled out that the Notes may be rated at any time following the Issue Date.

Risk relating to the occurrence of events outside the control of the Issuer

Events such as the approval of the yearly financial statements or the semi-annual financial reports of the Issuer, press releases or changes in the general market conditions may have a significant negative impact on the market price of the Notes. Additionally, broad movements of the markets, as well as the general economic and political conditions, may affect the market value of the Notes, regardless of the Issuer's credit solidity.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or euro may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

Interest rate risks

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them. See also paragraph headed "*The Rate of Interest applicable to the Notes will be reset on the Reset Date*" above.

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 (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

INFORMATION ABOUT THE ISSUER

Overview

Banca del Fucino S.p.A. is an independent bank incorporated on 19 February 2005 as a joint stock company (*società per azioni*) in Italy in accordance with the provisions of the Italian Civil Code, with a duration until 2050.

The Issuer has its registered office at Via Tomacelli 107, 00186 Rome, Italy (phone number 06/689761) and is registered with the Companies' Register of Rome under registration number 04256050875. The Issuer is registered with the register of banks (*Albo delle Banche*) and the register of banking groups (*Albo dei Gruppi Bancari*) held by the Bank of Italy, ABI code 3124. The Issuer's LEI code is 815600722FAEE18D6013. The Bank's website is https://bancafucino.it/, however, any information contained in any other website specified in this Admission Document does not form part of this Admission Document, except where that information has been incorporated by reference into this Admission Document.

The fully subscribed and paid-up capital of the Issuer as of 30 June 2025 amounts to Euro 264,172,926.46.

The Issuer's business is mainly concentrated in the following areas:

(i) Commercial Banking: a commercial network at the service of its customers;

(ii) Private Banking: tradition and innovation in asset management;

(iii) Investment Banking: structured finance solutions for tailor-made support; and

(iv) Health & Pharma: financial solutions that meet the real needs of the sector.

For an overview of the business segments as well as the Group's consolidated net banking income and net profit (loss) from financial activities for the Group's core business segments, refer to the section headed "*Documents Incorporated by Reference*".

History and Development

Founded on 4 July 1923, Banca del Fucino recently celebrated the centenary of its establishment. Created by Giovanni and Carlo Torlonia, its name is closely tied to the land reclamation and reorganization works in the Fucino plain in the Abruzzo region.

Over the course of one hundred years, the Bank has not only established itself as the oldest private bank in Rome but has also demonstrated its ability to preserve its identity while navigating the profound transformations Italy has undergone over the past century. The banking and financial landscape of the capital has likewise experienced significant changes, particularly due to a wave of consolidation in recent decades that has notably reduced the number of local banking institutions.

In this context, a century after its foundation, Banca del Fucino reaffirms its distinctive identity as an independent private bank with deep roots in its reference territory.

Between 2018 and 2020, Banca del Fucino was the focus of a recapitalization and relaunch operation, successfully concluded in June 2020.

As a result of this initiative—which brought together Banca del Fucino and Igea Banca (a bank specialized in securitisations, salary-backed loans and known for its innovative digital hub)—Banca del Fucino became the Parent Company of the newly established Igea Banca Banking Group.

Today, Banca del Fucino controls Fucino Finance, a financial intermediary specialized in employment-related loans, and Igea Digital Bank, one of the first Italian banks specialized in lending to small and medium-sized enterprises through a digital platform. Igea Digital Bank has now been entrusted with a new mission as the Group's sustainability and energy transition-focused bank.

In recent years, the Bank has expanded the scope of its operations, effectively responding to the evolving financial product and service needs of households and businesses—while remaining true to its original vocation. This enduring commitment is particularly evident in the Bank's embrace of new technologies and the digitization of its banking services, aimed not at replacing but rather enhancing and strengthening the direct relationship with its clientele—an essential feature of community banking.

Particularly noteworthy is the Bank's commitment to the promotion of artistic and cultural activities. Banca del Fucino has adopted a broad concept of sustainability, incorporating culture—understood as a defining element of our social environment—within the ESG (Environmental, Social, Governance) framework. This approach led to the Bank's decision, in 2020, to become a patron of the historic cultural institution the Teatro dell'Opera di Roma.

Banca del Fucino currently operates 40 branches and private banking centers, primarily within its traditional regions of Lazio, Abruzzo, Marche, and Sicily. It also has a strong presence in Milan, Padua, Verona, and Bologna.

Business Strategy

In February 2023, the Board of Directors of the Issuer approved the business plan for the period 2023-2025 (as updated in March 2024, the "**Business Plan**").

The main strategic lines of the Business Plan are the following:

a) the continuation of the capitalisation process to support business development and to sustain the growth of loans from time to time, however monitored and accompanied by the use of credit risk mitigation techniques that will allow for a low RW density of loans;

b) autonomy and stabilisation of funding through: 1) significant growth in direct deposits from both institutional and corporate/retail customers, to be obtained through dedicated time deposit campaigns and senior and subordinated bond issue programmes; and 2) securitisation transactions on credit assets for funding purposes, which will, among other things, make it possible to gradually reduce exposure to central institutions for refinancing transactions;

c) remodulation of assets through an increase in the incidence of short-term forms and factoring with high turnover, as well as creating opportunities for de-risking and/or NPE conferment. In addition, a gradual downsizing of the securities portfolio towards public administrations will be sought, as well as the assumption of limited portfolio risks compatible with RAF, and the arrangement, servicing and investment in ABS notes with market characteristics;

d) credit policies and credit quality: with the aim of reaching the market target by geographical area, sector and average ticket, as well as a pricing consistent with assumed risk levels and capital remuneration targets (Pricing Risk Adjusted);

e) Profitability and Efficiency: a) Gradual reduction of the cost/income ratio; b) Growth in profitability in relation to the Bank's tangible equity (ROTE); c) Growth in banking products per employee and consequent margins; d) Rationalisation of the physical network and evaluation of targeted openings; and e) Definition of the physical network/digital channels mix;

f) Human capital and investments: a) Strengthening Human Capital; b) New performance-remuneration correlation logic; c) Investments and expenses for strengthening IT infrastructure, Cyber Security, Regulatory; and d) Investments and expenses for Development of Digital Channels and other services to support the business.

Following the Group's recent development initiatives, the Issuer has appointed a leading advisory firm to support the preparatory activities for the development of the Group's new 2025–2028 Business Plan.

Specifically, the new plan will be structured with due consideration of the following key points:

a) Strategic and industrial assessment, along with an analysis of the relevant macroeconomic context;

b) Evaluation of the impacts associated with the extraordinary transaction involving Cassa di Risparmio di Orvieto, with particular focus on the national and regional macroeconomic scenarios, also taking into account idiosyncratic dynamics stemming from international tensions and inflationary trends;

c) Identification of potential strategic development scenarios, including new initiatives arising from the acquisition of CRO;

d) Strategies and channels for funding procurement;

e) Initiatives aimed at optimizing operational efficiency, with a view to increasing productivity levels and achieving cost reductions; and

f) Analysis of capital requirements and potential industrial levers to be activated.

Business Description

The Issuer's business is mainly concentrated in the following areas:

(i) Commercial Banking: a commercial network at the service of its customers;

(ii) Private Banking: tradition and innovation in asset management;

(iii) Investment Banking: structured finance solutions for tailor-made support; and

(iv) Health & Pharma: financial solutions that meet the real needs of the sector.

Shareholders and Share Capital

Share capital

As of 30 June 2025, the Issuer had a share capital of Euro 264,172,926.46, fully paid up, represented by 154,045,889 shares.

Group Structure

As of the date of this Admission Document, the banking Group is composed of the parent company, Banca del Fucino S.p.A., Fucino Finance S.p.A., in which the Issuer holds 100% of the share capital, and Igea Digital Bank S.p.A., in which the Issuer holds 100% of the share capital.

Board of Directors

The current Board of Directors was elected at the shareholders' meeting of 6 May 2024 and will expire on 31 December 2026.

The following table sets forth the names, positions and addresses of the current members of the Board of Directors.

Name	**Position**	**Domicile**
Mauro Masi	Chairman	Via Tomacelli 107, 000186 Rome
Gabriella Covino	Deputy Chairman	Via Tomacelli 107, 000186 Rome
Domenico Pimpinella	Deputy Chairman	Via Tomacelli 107, 000186 Rome
Francesco Maiolini	Chief Executive Officer	Via Tomacelli 107, 000186 Rome
Fabio Scaccia	Director	Via Tomacelli 107, 000186 Rome
Bernardino Lattarullo	Director	Via Tomacelli 107, 000186 Rome
Susanna Levantesi	Director	Via Tomacelli 107, 000186 Rome
Luigi Alio	Director	Via Tomacelli 107, 000186 Rome
Giulio Gallazzi	Director	Via Tomacelli 107, 000186 Rome
Luca Bergamotto	Director	Via Tomacelli 107, 000186 Rome
Sonia Locantore	Director	Via Tomacelli 107, 000186 Rome
Francesca Brunori	Director	Via Tomacelli 107, 000186 Rome

Board of Statutory Auditors

Each member of the Board of Statutory Auditors is appointed by the shareholders and the board is composed of three regular auditors, one of whom is appointed as chairman, and two alternate auditors. Members of the Board of Statutory Auditors were elected at the shareholders' meeting of 6 May 2024, until 31 December 2026.

The Board of Statutory Auditors supervises:

- compliance with the law and the Articles of Association;
- observance of the principles of proper administration;
- the appropriateness of the organisational, administrative and accounting structure adopted by the Company and its concrete functioning;
- adequacy and functionality of the Issuer's internal audit system;
- exercise of management and coordination by the Issuer; and

- other records and actions specified by the law.

The Board of Statutory Auditors ascertains the adequate coordination of all the functions and structures involved in the Internal Audit System, including the Independent Auditors in charge of the audit, promoting, if necessary, the appropriate corrective measures.

The following table sets forth the names, positions and addresses of the current members of the Board of Statutory Auditors:

Name	**Position**	**Domicile**
Valeria Conti	Chairman	Via Tomacelli 107, 000186 Rome
Gianluca Piredda	Standing Auditor	Via Tomacelli 107, 000186 Rome
Eugenio D'Amico	Standing Auditor	Via Tomacelli 107, 000186 Rome
Fernando Silvestri	Alternate Auditor	Via Tomacelli 107, 000186 Rome
Lucia Pierini	Alternate Auditor	Via Tomacelli 107, 000186 Rome

Independent Auditors

The shareholders' meeting of 6 May 2024 appointed PricewaterhouseCoopers S.p.A. as independent auditor of the Issuer from 2024 to 2032.

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSS

Unless otherwise indicated, the financial information contained in this Admission Document relating to the Issuer and/or the Group has been derived from the Italian language audited consolidated financial statements of the Issuer for the financial year ended on 31 December 2024 (the "**Issuer 2024 Consolidated Annual Financial Statements**"), reviewed by the independent auditors, PricewaterhouseCoopers S.p.A..

All financial information contained in this Admission Document is presented on a consolidated basis, including where reference is made to such financial information being of the Issuer.

Such financial information should be read in conjunction with, and is qualified in its entirety by reference to, the Issuer 2024 Consolidated Annual Financial Statements, together with the accompanying notes and auditors' reports, to the extent incorporated by reference in this Admission Document. For more information, see the section headed "*Documents Incorporated by Reference*".

The Issuer 2024 Consolidated Annual Financial Statements were prepared in accordance with the International Financial Reporting Standards and International Accounting Standards (hereinafter jointly "**IFRSs**" or "**IASs**") issued by the International Accounting Standard Board (IASB) and the related interpretative documents of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission and have been audited by the Issuer's independent auditors, PricewaterhouseCoopers S.p.A..

DOCUMENTS INCORPORATED BY REFERENCE

The following document which has previously been published or is published simultaneously with this Admission Document shall be incorporated by reference into, and form part of, this Admission Document: the Issuer 2024 Consolidated Annual Financial Statements which can be found at the following link: https://bancafucino.it/sites/default/files/2025-05/Bilancio-BancadelFucino_2024_DEFLight_1.pdf, to the extent specified in the cross-reference list below and save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Admission Document to the extent that a statement contained herein or in any subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Admission Document.

This Admission Document as well as copy of the document incorporated by reference into this Admission Document can be obtained free of charge from the registered office of the Issuer.

The information incorporated by reference that is not included in the cross-reference list below, is considered either not relevant or covered elsewhere in the Admission Document.

CROSS-REFERENCE LIST FOR DOCUMENTS INCORPORATED BY REFERENCE

Document	Information incorporated	Page
Issuer 2024 Consolidated Annual Financial Statements	*Consolidated Financial Statements:*	
	Balance Sheet	220
	Income Statement	222
	Notes to the Financial Statements	228
	Auditors' report	501

TERMS AND CONDITIONS OF THE NOTES

The €50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 17 July 2035 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single series) are issued by Banca del Fucino S.p.A. (the **Issuer**).

Any reference in these Terms and Conditions to **Noteholders** or **holders** in relation to the Notes shall mean the beneficial owners of Notes and evidenced in book entry form with Monte Titoli S.p.A. with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy (**Monte Titoli**) pursuant to the relevant provisions of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and in accordance with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) and Bank of Italy Joint Regulation dated 13 August 2018, as subsequently amended and supplemented from time to time (the **CONSOB and Bank of Italy Joint Regulation**). No physical document of title will be issued in respect of the Notes. Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) are intermediaries authorised to operate through Monte Titoli.

The Issuer will also act as initial paying agent for the Notes (the **Paying Agent**), save that the Issuer is entitled to appoint a different Paying Agent in accordance with Condition 4.5 (*Initial Paying Agents*). References in these Conditions to "Paying Agent" shall mean, for so long as the Issuer acts as paying agent for the Notes, the Issuer in its capacity as such, or such other party from time to time appointed by the Issuer to act as paying agent for the Notes.

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

In these Terms and Conditions, the expression **Monte Titoli Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg.

In the Conditions, references to **euro** or **Euro** or **€** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form, Denomination, Title and placement

1.1 Form and Denomination

The Notes are in bearer form in the denomination of €200,000 and integral multiples of €1,000 in excess thereof (the **Specified Denomination**). The Notes will be held in dematerialised form on behalf of the beneficial owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their respective date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg.

1.2 Title

The Notes will at all times be evidenced by, and title to the Notes will be established or transferred by way of, book-entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Jointed Regulation. No physical document of title will be issued in respect of the Notes.

Notes will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli. References to the records of Euroclear and/or Clearstream, Luxembourg shall be to the records for which Monte Titoli acts as depository.

2. Status

2.1 Subject as set out below, the Notes are intended to qualify as Tier 2 Capital for regulatory capital purposes in accordance with Part II, Chapter 1 of the Bank of Italy's *Disposizioni di Vigilanza Prudenziale per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time (the **Bank of Italy Regulation**), including any successor regulations, and Article 63 of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time (including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 and by Regulation (EU) 2024/1623 of the European Parliament and the Council of 31 May 2024 amending the Regulation (EU) No 575/2013 as regards requirements for credit risks, credit valuation adjustment risks, operational risks, market risks and the output floor) (the **CRD IV Regulation**). The Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank: (i) after all unsubordinated, unsecured creditors (including depositors and holders of senior notes and senior non-preferred notes (*strumenti di debito chirografario di secondo livello*)) of the Issuer and after all creditors of the Issuer holding instruments that are or are expressed by their terms to be less subordinated than the Notes; (ii) at least *pari passu* without any preference among themselves and with all other present and future subordinated obligations of the Issuer that are not expressed by their terms to rank or which do not rank junior or senior to the Notes, save for those preferred by mandatory and/or overriding provisions of law; and (iii) in priority to the claims of shareholders of the Issuer and to all other present and future subordinated obligations of the Issuer which rank or are expressed by their terms to rank junior to the Notes.

2.2 In the event the Notes do not qualify or cease to qualify, in their entirety, as Own Funds, the Notes shall rank: (i) subordinated and junior to unsubordinated unsecured creditors of the Issuer (including depositors and holders of senior notes and senior non-preferred notes (*strumenti di debito chirografario di secondo livello*)); (ii) *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or have ceased to qualify, in their entirety, as Own Funds and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the Notes (which do not qualify or have so ceased to qualify, in their entirety, as

Own Funds); and (iii) senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*).

2.3 Each holder of a Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Note.

2.4 The Notes (including, for the avoidance of doubt, payments of principal and/or interest) shall be subject to the Loss Absorption Requirement, if so required under the BRRD and/or the SRM Regulation, in accordance with the powers of the Relevant Resolution Authority and where the Relevant Resolution Authority determines that the application of the Loss Absorption Requirement to the Notes is necessary pursuant to applicable law and/or regulation in force from time to time. For the purpose of this paragraph **Loss Absorption Requirement** means the power of the Relevant Resolution Authority to impose that Own Funds instruments or other liabilities of the Issuer is subject to full or partial write-down of the principal or conversion into CET1 Instruments or other instruments of ownership in accordance with Article 59 of the BRRD and the related national implementing provisions applicable to the Issuer or entities of the Group.

3. Interest

3.1 Interest Rate and Interest Payment Dates

The Notes bear interest at the applicable Rate of Interest from and including the Issue Date in accordance with the provisions of this Condition 3. Interest shall be payable annually in arrear on each Interest Payment Date, starting from, and including, 17 July 2026.

3.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. 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 Notes has been received by the Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10 (*Notices*).

3.3 Initial Rate of Interest and Reset Rate of Interest

The Rate of Interest for each Interest Period from (and including) the Issue Date to but excluding 17 July 2030 (the **Reset Date**) (the **Initial Period**) will be 7.375 per cent. per annum (the **Initial Rate of Interest**).

The Rate of Interest for each Interest Period from (and including) the Reset Date to (but excluding) the Maturity Date (the **Reset Interest Period**) will be the applicable Reset Rate of Interest determined in accordance with these Conditions.

3.4 Determination of Reset Rate of Interest in relation to the Reset Interest Period

The Calculation Agent will, as soon as reasonably practicable after 11:15 a.m. (Frankfurt time) on the day falling two T2 Settlement Days prior to the Reset Date (the **Reset Rate of Interest Determination Date**), determine the Reset Rate of Interest.

In these Conditions, **Calculation Agent** means the Paying Agent or such other entity designated for such purpose.

3.5 Reference Rate Replacement

Notwithstanding the fallback provisions in the definition of 5-year Mid-Swap Rate below, if the Issuer determines that a Rate Event has occurred when any Reset Rate of Interest (or component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply to the Notes:

(i) the Issuer shall use reasonable endeavours: (A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Reset Rate of Interest Determination Date relating to the next Interest Period (the **IA Determination Cut-off Date**), for the purposes of determining the Reset Rate of Interest applicable to the Notes for such next Reset Interest Period and for all other future Reset Interest Periods (subject to the subsequent operation of this Condition 3.5 during any other future Reset Interest Period(s));

(ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than three Business Days prior to the Reset Rate of Interest Determination Date relating to the next Reset Interest Period (the **Issuer Determination Cut-off Date**), for the purposes of determining the Reset Rate of Interest applicable to the Notes for such next Reset Interest Period and for all other future Reset Interest Periods (subject to the subsequent operation of this Condition 3.5 during any other future Reset Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 3.5:

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Original Reference Rate for all future Reset Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 3.5);

(B) if the relevant Independent Adviser or the Issuer (as applicable):

(I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Reset Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 3.5); or

(II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Reset Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 3.5); and

(C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(I) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) any Business Day, day count basis, Reset Rate of Interest Determination Date, Reset Reference Banks and/or Screen Page applicable to the Notes and (2) the method for determining the fallback to the Reset Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(II) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Reset Interest Periods (subject to the subsequent operation of this Condition 3.5); and

(iv) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 3.5(iii)(C) to the Calculation Agent, the Paying Agent and the Noteholders in accordance with Condition 10 (*Notices*).

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 3.5 or such other relevant changes pursuant to Condition 3.5(iii)(C), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to any agency agreement entered into by the Issuer to appoint a different Paying Agent in accordance with Condition 4.5 (*Initial Paying Agents*), as applicable.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 3.5 prior to the relevant Issuer Determination Cut-off Date, then the Reset Rate of Interest for the next Reset Interest Period shall be determined by reference to the fallback provisions in the definition of 5-year Mid-Swap Rate below.

Notwithstanding any other provision of this Condition 3.5, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 3.5, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital for regulatory capital purposes of the Issuer; and/or if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority treating an Interest Payment Date as the effective maturity of the Notes.

3.6 Publication of Reset Rate of Interest

The Paying Agent or the Calculation Agent, as applicable, will cause the relevant Reset Rate of Interest to be notified to Monte Titoli, the Issuer, the Paying Agent (as applicable) and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and to be published in accordance with Condition 10 (*Notices*) as soon as reasonably practicable after such determination but in any event not later than the Reset Date.

3.7 Calculation of Interest Amount

The amount of interest payable in respect of a Note for any period shall be calculated by the Paying Agent or the Calculation Agent, as applicable, by:

(a) applying the applicable Rate of Interest to the nominal amount of such Note;

(b) multiplying the product thereof by the Day Count Fraction; and

(c) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

3.8 Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Paying Agent or the Calculation Agent, as applicable, or the Reset Reference Banks (or any of them), will (in the absence of manifest error) be binding on the Issuer, Monte Titoli, the Paying Agent (as applicable) and all Noteholders and (in the absence of gross negligence, default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Paying Agent or the Calculation Agent, as applicable, or the Reset Reference Banks (or any of them) in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition.

3.9 Definitions

In these Conditions:

5-year Mid-Swap Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the Reset Date which is equal to five years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

5-year Mid-Swap Rate means, in relation to the Reset Interest Period and the Reset Rate of Interest Determination Date:

(a) the applicable annual mid-swap rate for swap transactions in euro (with a maturity equal to five years) as displayed on the Screen Page at 11.15 a.m. (Frankfurt time) on the Reset Rate of Interest Determination Date; or

(b) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate;

Actual/360 means the actual number of days in the relevant period divided by 360;

Adjustment Spread means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which: (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or (iii) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable) or (iv) if no such industry standard is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Reference Rate means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of notes denominated in euro and of a comparable duration to the Reset Interest Period or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate;

Day Count Fraction means the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

If interest is required to be calculated for a period of less than one year, it will be calculated on an actual/actual (ICMA) basis for each period, being the actual number of days elapsed during the relevant period divided by 365 (or by 366 if a 29 February is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards);

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

Interest Amount means the amount of interest payable on each Note for any Interest Period and Interest Amounts means, at any time, the aggregate of all Interest Amounts payable at such time;

Interest Payment Date means 17 July in each year from (and including) 17 July 2026 up to (and including) the Maturity Date;

Interest Period means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date;

Issue Date means 17 July 2025;

Margin means 5.065 per cent.;

Maturity Date means 17 July 2035;

Rate Event means, in respect of the rate referred to under letter (a) of the definition of 5-year Mid-Swap Rate (the **Original Reference Rate**):

(a) the Original Reference Rate or the 6-month EURIBOR rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or being subject to a material change; or

(b) a public statement by the administrator of the Original Reference Rate or the 6-month EURIBOR rate that it will, by a specified date on or prior to the next Reset Rate of Interest Determination Date, cease publishing the Original Reference Rate or the 6-month EURIBOR rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate or the 6-month EURIBOR rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate or the 6-month EURIBOR rate, that the Original Reference Rate or the 6-month EURIBOR rate has been or will, by a specified date on or prior to the next Reset Rate of Interest Determination Date, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate or the 6-month EURIBOR rate as a consequence of which the Original Reference Rate or the 6-month EURIBOR rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes, in each case by a specific date on or prior to the next Reset Rate of Interest Determination Date; or

(e) an official announcement by the supervisor of the administrator of the Original Reference Rate or the 6-month EURIBOR rate, with effect from a date after 31 December 2021, that the Original Reference Rate is no longer representative of its relevant underlying market; or

(f) it has become unlawful for the Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate or the 6-month EURIBOR rate;

Rate of Interest means:

(a) in the case of each Interest Period falling in the Initial Period, 7.375 per cent.; or

(b) in the case of each Interest Period falling in the Reset Interest Period, the Reset Rate of Interest,

all as determined by the Calculation Agent in accordance with this Condition 3.

Relevant Nominating Body means, in respect of a reference rate: (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

Reset Date means 17 July 2030;

Reset Rate of Interest means, in relation to the Reset Interest Period, the sum of (a) the 5-year Mid-Swap Rate in relation to the Reset Interest Period and (b) the Margin;

Reset Reference Banks means five leading swap dealers in the principal interbank market relating to euro selected by the Issuer in its discretion;

Reset Reference Bank Rate means the percentage rate determined on the basis of the 5-Year Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:15 a.m. (Frankfurt time) on the Reset Rate of Interest Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be an amount equal to the 5-year Mid-Swap Rate that most recently appeared on the Screen Page;

Screen Page means Bloomberg screen page "ICAE55", or such other screen page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace Bloomberg, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

Successor Reference Rate means the rate: (i) that the Issuer determines is a successor to or replacement of the Original Reference Rate and (ii) that is formally recommended by any Relevant Nominating Body; and

T2 Settlement Day means any day on which the Trans-European Automated Real- Time Gross Settlement Express Transfer (T2) System or any successor or replacement for that system (**T2**) is open.

4. Payments

4.1 Payments in respect of Notes

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

4.2 Method of Payment

Payments will be made 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 euro cheque.

4.3 Payments subject to applicable laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*).

4.4 Payment only on a Presentation Date

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not, except as provided in Condition 3 (*Interest*), be entitled to any further interest or other payment in respect of such delay. Any postponement of the date for payment will not result in any change to the relevant Interest Period and/or the postponement of the following payment dates in respect of principal and interest on the Notes (*Following Business Day Convention – Unadjusted*).

Payment Date means a day which (subject to Condition 7 (*Prescription*)):

(a) is or falls after the relevant due date;

(b) is a Business Day; and

(c) in the case of payment by credit or transfer to a euro account as referred to above, is a T2 Settlement Day.

In this Condition, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Milan.

4.5 Initial Paying Agents

The Issuer will act as initial paying agent for the Notes.

The Issuer is entitled to terminate its role as Paying Agent and appoint an additional or other Paying Agent, in each case under the terms of an agency agreement in a customary form, provided that there will at all times be a Paying Agent.

5. Redemption and Purchase

5.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 17 July 2035.

5.2 Redemption for Taxation Reasons

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 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 6 (*Taxation*)) or any political subdivision of, or any authority in, or of, a Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it (a **Tax Event**),

the Issuer may at its option (subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)), having given not less than 30 nor more than 60 days' notice to Monte Titoli, the Paying Agent and, in accordance with Condition 10 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes, in whole but not in part, at any time at their principal amount together with interest accrued to but excluding the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall make available to the Noteholders (i) a certificate signed by a Director or a duly authorised officer of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

5.3 Redemption at the Option of the Issuer (Issuer Call)

The Issuer may, subject to Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*), having given not less than 15 nor more than 45 calendar days’ notice to Monte Titoli, the Paying Agent, Borsa Italiana and, in accordance with Condition 10 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole but not in part, on the Reset Date at their principal amount, together with interest accrued to but excluding the date fixed for redemption.

5.4 Redemption for Regulatory Reasons (Regulatory Call)

The Issuer may, at its discretion (subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)), at any time, on giving not less than 30 nor more than 60 days' notice to Monte Titoli, the Paying Agent and, in accordance with Condition 10 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes, in whole but not in part, at their principal amount together with interest accrued to but excluding the date fixed for of redemption, upon the occurrence of a change in the regulatory classification of the Notes that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, as Tier 2 Capital of the Issuer or the banking group known as "*Gruppo Bancario Igea Banca*" of which the Issuer is the parent company (the **Group**) registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as subsequently amended and supplemented, under number 3124 (a **Regulatory Event**) and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date, if both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in regulatory classification of the Notes was not reasonably foreseeable by the Issuer as at the Issue Date.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall make available to the Noteholders a certificate signed by a Director or a duly authorised officer of the Issuer stating that the said circumstances prevail and describe the facts leading thereto and the Paying Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

In these Conditions:

BRRD means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including but not limited to by the BRRD II);

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

CRD IV means, taken together (i) the CRD IV Directive, (ii) the CRD IV Regulation, and (iii) the Future Capital Instruments Regulations;

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended or replaced from time to time (including but not limited to by the CRD V Directive and CRD VI Directive);

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

CRD VI Directive means the Directive (EU) 2024/1619 of the European Parliament and the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks;

Future Capital Instruments Regulations means any regulatory capital rules or regulations introduced after the Issue Date by the Competent Authority or which are otherwise applicable to the Issuer (on a solo or, if relevant, consolidated basis), which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the Own Funds of the Issuer (on a consolidated basis) to the extent required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

Own Funds has the meaning given to such term (or any equivalent or successor term) in the Relevant Regulations;

Relevant Regulations means any requirements contained in the regulations, rules, guidelines and policies of the Competent Authority or the Relevant Resolution Authority, or of the European Parliament and Council then in effect in the Republic of Italy, relating to capital adequacy and applicable to the Issuer and/or the Group from time to time (including, but not limited to, as at the Issue Date of the Notes, the rules contained in, or implementing, CRD IV and the BRRD, delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority);

Relevant Resolution Authority means the Italian resolution authority, the Single Resolution Board (**SRB**) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Bail-in Power from time to time;

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

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

Tier 2 Capital has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

5.5 Purchases

The Issuer or any of its Subsidiaries (as defined below) may, subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*), purchase Notes in the open market or otherwise (including for market making purposes) in any manner and at any price in accordance with applicable laws and regulations (including for the avoidance of doubt, the Relevant Regulations). Such Notes may, subject to the approval of the Competent Authority (if so required by the Relevant Regulations), be held, reissued, resold or, at the option of the purchaser, cancelled.

In this Condition:

Subsidiary means the subsidiaries, as defined under the Relevant Regulations applicable from time to time, that are part of the Group and included in the consolidated financial statements as at 31 December 2024; and

Competent Authority means the European Central Bank in conjunction with the national competent authority, the Bank of Italy, and/or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer or the Group and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under the BRRD and/or the SRM Regulation.

5.6 Cancellations

All Notes which are redeemed will forthwith (subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)) be cancelled. All Notes so redeemed and cancelled pursuant to this Condition, and the Notes purchased and cancelled pursuant to Condition 5.5 (*Purchases*) above cannot be reissued or resold.

5.7 Notices Final

Upon the expiry of any notice as is referred to in paragraph 5.2 (*Redemption for Taxation Reasons*), 5.3 (*Redemption at the Option of the Issuer (Issuer Call)*) or 5.4 (*Redemption for Regulatory Reasons (Regulatory Call)*) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

5.8 Conditions to Early Redemption and Purchase of Notes

Any redemption or purchase of Notes in accordance with, as appropriate, Condition 5.2 (*Redemption for Taxation Reasons*), 5.3 (*Redemption at the Option of the Issuer (Issuer Call)*) or 5.4 (*Redemption for Regulatory Reasons (Regulatory Call)*) or 5.5 (*Purchases*) is subject to compliance with the then applicable Relevant Regulations, including for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the Notes (in each case subject to, and in accordance with, the then applicable Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

(i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, as amended from time to time:

(i) in the case of redemption pursuant to Condition 5.2 (*Redemption for Taxation Reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 5.4 (*Redemption for Regulatory Reasons (Regulatory Call)*), a Regulatory Event having occurred in respect of the Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements or authorisation as may be applicable from time to time under the Relevant Regulations.

Subject to the conditions set out at points (a) and (b) above (as applicable), the Competent Authority may grant a general prior permission, for a specified period which shall not exceed one year, after which it may be renewed, to redeem or purchase (including for market making purposes) the Notes, in the limit of a predetermined amount provided by the Competent Authority, which shall not exceed, in any case, the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the outstanding aggregate nominal amount of the Tier 2 Capital instruments of the Issuer at the relevant time subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at numbers (i) and (ii) of subparagraph (a) of the precedent paragraph.

6. Taxation

6.1 Payment without Withholding

All payments of principal, interest and other amounts in respect of the Notes by or on behalf of the Issuer shall be made free and clear of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected or assessed by or on behalf of the Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts in respect of interest as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes if no such withholding or deduction had been required; except that no additional amounts shall be payable in relation to any payment in respect of any Note:

(a) presented for payment by or on behalf of a holder who is liable for Taxes in respect of such Note by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Note; or

(b) presented for payment in Italy; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 4 (*Payments*)); or

(d) in the event of payment to a non Italian resident entity or individual which is resident for tax purposes in a country which does not allow for a satisfactory exchange of information with the Italian tax authorities;

(e) for, or on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended from time to time, or any related implementing regulations, and in all circumstances in which the procedures set forth in Legislative Decree No. 239 have not been met or complied with except where such procedures have not been met or complied with due to the actions of omissions of the Issuer or its agents; or

(f) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note by making or procuring a declaration or any other statement, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption but has failed to do so.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulation or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (**FATCA Withholding**) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

6.2 Interpretation

In these Conditions:

Relevant Date means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Paying Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 10 (*Notices*); and

Relevant Jurisdiction means Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

6.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

7. Prescription

Claims against the Issuer for payment in respect of the Notes will be prescribed and become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date , subject to the provisions of Condition 4 (*Payments*).

8. Enforcement Event

In the event of a voluntary or involuntary liquidation (including, *inter alia, Liquidazione Coatta Amministrativa*) of the Issuer (an **Event of Default**), any holder of a Note may, by written notice to the Issuer at the specified office of the Paying Agent, effective upon the date of receipt thereof by the Paying Agent, declare any such Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its principal amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind. No Event of Default for the Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Notes for any purpose).

9. ADMISSION TO TRADING

The Issuer will submit to Borsa Italiana S.p.A. (**Borsa Italiana**) an application for admission to trading of the Notes on the Access Milan Professional Segment (**Access Milan Professional**) of the Euronext Access Market. Borsa Italiana's decision on the admission to trading of the Notes, on the basis of the Admission Document dated 15 July 2025, and the date of commencement of trading on the Access Milan Professional, together with the information relating to trading, will be communicated by Borsa Italiana through a specific notice pursuant to Article 224.3 of the Access Milan Market rules adopted by Borsa Italiana on 11 September 2023, as amended from time to time (the **Euronext Access Market Rules**).

For the purposes of these Conditions, **Euronext Access Market** means the multilateral trading facility (MTF) managed by Borsa Italiana, reserved for subordinated bond instruments.

10. Notices

10.1 Notices to the Noteholders

All notices regarding the Notes will be deemed to be validly given if published through the systems of Monte Titoli and, if and for so long as the Notes are admitted to trading on the Access Milan Professional Segment of the Euronext Access Market, through the systems identified by Borsa Italiana in accordance with the timings and the requirements of the Euronext Access Market Rules, Regulation (EU) No. 596/2014 (as amended from time to time) and any other applicable laws. 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 including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication.

10.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same with the Paying Agent.

11. Meetings of Noteholders, Modification and Variation

11.1 Meetings of Noteholders

The provisions for the meetings of Noteholders (including by way of conference call or by use of videoconference platform) attached as Annex 1 (*Provisions for the Meetings of Noteholders*) to these Conditions (the **Provisions for Meetings of Noteholders**) contains provisions for convening meetings of the Noteholders to consider any matter affecting their common interests, including, *inter alia*, the sanctioning by Extraordinary Resolution of a modification of the Notes or these Conditions.

Subject to the above, such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 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 a Reserved Matter, 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 will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution.

Extraordinary Resolution has the meaning given to it in the Provisions for Meetings of Noteholders.

Reserved Matter has the meaning given to it in the Provisions for Meetings of Noteholders.

11.2 Modification

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

(i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes that is in the sole opinion of the Issuer not materially prejudicial to the interests of the Noteholders; or

(ii) any modification which is of a formal, minor or technical nature or to correct a manifest error including without limitation where required in order to comply with mandatory provisions of law.

For the avoidance of doubt, any variation of the Conditions (and any agency agreement entered into by the Issuer to appoint a different Paying Agent in accordance with Condition 4.5 (*Initial Paying Agents*), as applicable) to give effect to any Benchmark Amendments in the circumstances and as otherwise set out in Condition 3.5 (*Reference Rate Replacement*) shall not require the consent of the Noteholders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 10 (*Notices*) as soon as practicable thereafter.

11.3 Variation

In addition, if (i) at any time a Regulatory Event, an Alignment Event or a Tax Event occurs and/or (ii) in order to ensure the effectiveness and enforceability of Condition 14 (*Contractual Recognition of Statutory Bail-In Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 (thirty) nor more than 60 (sixty) calendar days' notice to the Paying Agent and the Noteholders, at any time vary the terms of the Notes so that the Notes remain or, as appropriate, become Qualifying Subordinated Notes, provided that Qualifying Subordinated Notes shall not, immediately following such variation, be subject to a Regulatory Event and/or a Tax Event, as applicable.

In these Conditions:

Alignment Event will be deemed to have occurred if, as a result of a change in or amendment to the Relevant Regulations or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Tier 2 Capital, which, in each case, contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions;

Qualifying Subordinated Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 14 (*Contractual Recognition of Statutory Bail-In Powers*), have terms not materially less favourable to a Noteholder (as reasonably determined by the Issuer) than the terms of the Notes, and they shall also (A) comply with the then-current requirements of the Relevant Regulations in relation to Tier 2 Capital; (B) have a ranking at least equal to that of the Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (D) have the same redemption rights as the Notes; (E) preserve any existing rights under the Notes to any accrued and unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) in the event the Notes carry a rating immediately prior to such variation, are assigned (or maintain) the same credit ratings as were assigned to the Notes immediately prior to such variation (save that, for the avoidance of doubt, where any credit rating was, as a result of Condition 14 (*Contractual Recognition of Statutory Bail-In Powers*) becoming ineffective and/or unenforceable, amended prior to such variation, reference in this sub-clause (F) shall be to such credit rating prior to such amendment); and

(b) are listed on a recognised stock exchange if the Notes were listed immediately prior to such variation.

The Conditions may not be amended without the prior approval of the Competent Authority, if so required by the Relevant Regulations.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

13. Governing Law and Submission to Jurisdiction

13.1 Governing Law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and construed in accordance with Italian law.

13.2 Jurisdiction

The courts of Milan are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with them) and accordingly any legal action or proceedings arising out of or in connection with any Notes may be brought in such courts.

14. Contractual Recognition of Statutory Bail-In Powers

By the acquisition of the Notes, each holder of the Notes acknowledges and agrees to be bound by the exercise of any Bail-in Power by the Competent Authority that may result in the write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Notes and/or the conversion of all or a portion of the principal amount of, or distributions on, the Notes into ordinary shares of the Issuer 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 Competent Authority of such Bail-in Power. Each holder of the Notes further agrees that the rights of the holders of the Notes are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-in Power by the Competent Authority.

For these purposes, a **Bail-in Power** means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action, of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer or Group Entities, including (but not limited to) any such laws, regulations, rules or requirements (including the BRRD and/or the SRM Regulation) that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, an investment firm and/or any Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person.

Upon the Issuer being informed or notified by the Competent Authority of the actual exercise of the date from which the Bail-in Power is effective with respect to the Notes, the Issuer shall notify the holders without delay. Any delay or failure by the Issuer to give 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 Competent Authority with respect to the Notes shall not constitute an Event of Default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Competent Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions or investment firms and/or Group Entities incorporated in the relevant Member State.

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.

Group Entities means any legal person that is part of the Group.

ANNEX 1 TO THE TERMS AND CONDITIONS OF THE NOTES

1. DEFINITIONS

In the Conditions, the following expressions have the following meanings:

Blocked Notes means the Notes which have been blocked in an account with the relevant Monte Titoli Account Holder not later than 48 hours before the time fixed for the Meeting for the purpose of obtaining from the relevant Monte Titoli Account Holder a Voting Certificate on the terms that any such Notes will not be released until the earlier of:

(i) the conclusion of the Meeting; and

(ii) the surrender to the relevant Monte Titoli Account Holder of the relevant Voting Certificate;

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*CHAIRMAN*);

Extraordinary Resolution means a resolution passed at a Meeting duly convened and held in accordance with this Provisions for the Meetings of Noteholders by the majority specified under paragraph 7 (*QUORUM*);

Meeting means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

Proxy means, in relation to any Meeting, the certificate issued by the Noteholder (through the relevant Monte Titoli Account Holder), delivered to the Issuer, which authorises a designated duly authorised physical person to vote on its behalf in respect of the relevant Blocked Notes; certifying that the votes attributable to such Blocked Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked. So long as a Proxy is valid, the named therein as Proxy Holder, shall be considered to be the holder of the Notes to which such Proxy refers for all purposes in connection with the Meeting;

Proxy Holder means, in relation to a Meeting, an individual who has the right to vote in relation to a Blocked Note pursuant to a Proxy, in any case other than:

(a) any person whose appointment has been revoked and in relation to whom the relevant Monte Titoli Account Holder, the Paying Agent or the Chairman has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed;

Relevant Fraction means:

(a) for all business other than voting on an Extraordinary Resolution, one tenth or at any adjourned meeting two or more persons being or representing the majority of the Noteholders attending at the relevant meeting whatever the nominal amount of the Notes so held or represented;

(b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, is two 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; and

(c) for voting on any Extraordinary Resolution relating to a Reserved Matter, two 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 meeting such meeting two Voters representing or holding not less than one-third in nominal amount of the Notes for the time being outstanding.

Reserved Matter means any proposal:

(a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

(b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

(c) to change the currency in which amounts due in respect of the Notes are payable;

(d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or

(e) to amend this definition;

Voter means, in relation to any Meeting, the bearer of a Voting Certificate or a Proxy;

Voting Certificate means, in relation to any Meeting, a certificate requested by any Noteholder and issued by the relevant Monte Titoli Account Holder in accordance with the CONSOB and Bank of Italy Joint Regulation in which it is stated:

(a) that the Blocked Notes will not be released until the earlier of:

    (i) the conclusion of the Meeting specified in such certificate or any adjournment thereof; and

    (ii) the surrender of such certificate to relevant Monte Titoli Account Holder and the notification of release thereof to the Issuer; and

(b) the number of the Blocked Notes; and

(c) that the bearer of such certificate is entitled to attend and vote, also by way of Proxy, at the Meeting in respect of the Blocked Notes;

So long as a Voting Certificate is valid, the bearer thereof or the named therein as holder of the Blocked Notes shall be considered to be the holder of the Notes to which such Voting Certificate refers for all purposes in connection with the Meeting;

Written Resolution means a resolution in writing signed by or on behalf of holders of not less than 75 per cent. in nominal amount of the Notes outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Provisions for the Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

24 hours means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and in each of the places where the Paying Agent have their specified offices (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

48 hours means 2 consecutive periods of 24 hours.

2. DEPOSIT OF VOTING CERTIFICATES

In order to be admitted to participate in a Meeting, Noteholders must deposit their Voting Certificates with the Paying Agent not later than 48 hours before the relevant Meeting. If a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeding to discuss the items on the agenda.

A Proxy shall be valid only if it is deposited, along with the related Voting Certificate(s) at the office of the Paying Agent, or at any other place approved by the Paying Agent, not later than 48 hours before the relevant Meeting. If a Proxy is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeding to discuss the items on the agenda.

References to the blocking or release of the Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of the relevant clearing system.

3. VALIDITY OF VOTING CERTIFICATES AND PROXIES

The Voting Certificates and Proxies shall be valid until the release of the Blocked Notes to which they relate.

4. CONVENING OF MEETING

The Issuer may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10 (ten) per cent. in nominal amount of the Notes for the time being remaining outstanding.

5. NOTICE

At least 21 calendar days notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes may be deposited with the relevant Monte Titoli Account Holder for the purposes of obtaining the Voting Certificates from such relevant Monte Titoli Account Holder or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

6. CHAIRMAN

An individual (who may, but need not, be a Noteholder) nominated in writing by the Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

7. QUORUM

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the outstanding aggregate principal amount of the Notes, provided, however, that a different majority may be required pursuant to articles 2415, 2368 and 2369 of the Italian Civil Code and the Issuer's by-laws.

8. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and

(b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 calendar days and not more than 42 calendar days) and to such place as the Chairman determines; *provided, however, that*:

  (i) the Meeting shall be dissolved if the Issuer so decides; and

  (ii) no Meeting may be adjourned more than once for want of a quorum.

9. ADJOURNED MEETING

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

10. NOTICE FOLLOWING ADJOURNMENT

Paragraph 5 (*NOTICE*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

(a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

11. PARTICIPATION

The following may attend and speak at a Meeting:

(a) Voters;

(b) representatives of the Issuer and of any legal person that is part of the Group;

(c) the financial advisers of the Issuer;

(d) the legal counsel to the Issuer;

(e) the Paying Agent; and

(f) any other person approved by the Meeting.

12. SHOW OF HANDS

Every question submitted to a Meeting shall be considered as a resolution and decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

13. POLL

A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

14. VOTES

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, the number of votes obtained by dividing that fraction of the aggregate principal amount of the outstanding Note(s) represented or held by it by the lowest denomination of the Notes.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Proxy or a Voting Certificate state otherwise, a Voter shall not be obliged to exercise all the votes to which it is entitled or to cast all the votes which it exercises in the same way.

15. VOTING BY PROXY OR VOTING CERTIFICATE

Revocation of the appointment under a Proxy or a Voting Certificate shall be valid only if the Monte Titoli Account Holder or the Paying Agent or the Chairman is notified in writing of such revocation not later than 24 hours prior to the time set for the Meeting. Unless revoked, the appointment to vote contained in a Proxy or a Voting Certificate for a Meeting shall remain valid also in relation to a Meeting resumed following an adjournment, unless such Meeting was adjourned pursuant to Article 9 above. If a Meeting is adjourned pursuant to paragraph 8 (*ADJOURNMENT FOR WANT OF QUORUM*) above, each person appointed to vote in such Meeting shall have to be appointed again by virtue of another Proxy or Voting Certificate.

The Proxy shall be signed by the person granting the Proxy, shall not be granted in blank, and shall bear the date, the name of the person appointed to vote, and the related Proxies. If, in relation to any given resolution, there is no indication of how the right to vote is to be exercised, then such vote shall be deemed to be an abstention from voting on such proposed resolution.

16. POWERS

A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

(a) to approve any Reserved Matter;

(b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an event of default under the Notes;

(e) to authorise the Paying Agent or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(f) to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and

(g) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

17. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

An Extraordinary Resolution shall be binding upon all Noteholders whether or not present at such Meeting and each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing thereof. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and the Paying Agent within 14 calendar days of the conclusion of the Meeting.

18. MINUTES

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the proceedings recorded therein and until the contrary is proved. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

19. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

USE OF PROCEEDS

The net proceeds from the issuance of the Notes will be applied by the Issuer to strengthen the Total Capital Ratio within the meaning and for the purposes of Article 92 of CRR, as amended, and support core banking activities.

ADMISSION TO TRADING

Request of Admission to Trading

The Issuer has applied to Borsa Italiana for admission of the Notes to trading on the Professional Segment of the Euronext Access Milan Market. The decision of Borsa Italiana and the date of beginning of trading of the Notes on the Professional Segment of the Euronext Access Milan Market, together with the information regarding the admission to trading, will be communicated by Borsa Italiana by the issuance of notice, pursuant to section 224.6 in the Euronext Access Milan Market Rules.

Other Regulated Markets and Multilateral Trading Systems

As of the date of this Admission Document, the Notes are not listed on any regulated market or other multilateral trading facility or equivalent in any jurisdiction. The Issuer does not have any intention to file any request for the listing of the Notes or any other market or multilateral trading facility, other than the Euronext Access Milan Market.

Trading Method

The trading of the Notes on the Professional Segment of the Euronext Access Milan Market is reserved to Qualified Investors only.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Admission Document and are a general overview of certain tax consequences in Italy of acquiring, holding and disposing of Notes. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. The following summary is based upon tax laws and/or practice in force as at the date of this Admission Document, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. The Issuer will not update this overview to reflect changes in law and, if any such change occurs, the information in this overview could be superseded.

Noteholders are advised to consult their own tax advisers concerning the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes.

In any case, Italian legal or tax concepts may not be identical to the concepts described by the same English term as they exist under terms of different jurisdictions and any legal or tax concept expressed by using the relevant Italian term shall prevail over the corresponding concept expressed in English terms.

Italian Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023, delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system. This tax reform, once implemented, could significantly change the taxation of financial incomes and capital gains, that may impact on the current tax regime applicable to the Notes, as summarized below.

Taxation in the Republic of Italy

Tax treatment of interest and proceeds payable under the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to also as "**Interest**") from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), (i) issued, *inter alia*, by Italian banks or Italian stock companies with shares listed in a regulated market or multilateral trading facility situated or operating in an EU Member States or States party to the EEA Agreement allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of September 4, 1996, as subsequently amended and supplemented or superseded pursuant to Article 11, paragraph 4(c) of Decree 239 (the "**White List**"); or (ii) listed in one of the above mentioned markets or multilateral trading facilities; or (iii) not listed but subscribed and continuously held by qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented, as implemented by Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018 (that has replaced CONSOB Regulation No. 16190 of 29 October 2007) as amended from time to time, pursuant to article 34-ter, paragraph 1(b) of the CONSOB regulation No. 11971 of 14 May 1999.

For this purpose, pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**") bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) are securities that (a) incorporate an unconditional obligation to pay, at redemption or maturity, an amount not lower than their nominal value; (b) attribute to the holders no direct or indirect right to control or participate in the management of the issuer or in the management of the business in respect of which the notes have been issued; and (c) do not provide for a remuneration which is entirely linked to the profits of the issuer, or other companies belonging to the same group or to the business in respect of which the securities have been issued. The tax regime set forth by Decree 239 also applies to Interest from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks, other than shares and assimilated instruments, as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011, as amended and supplemented from time to time.

Italian resident Noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian resident Noteholder is the beneficial owner of Interest payments under the Notes and is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected unless he has entrusted the management of his financial assets, including the Notes, to an authorized intermediary and has opted for the so-called risparmio gestito regime according to Article 7 of Decree No. 461 (the "Asset Management Option"; or;

(b) a non-commercial partnership (other than a *società in nome collettivo or a società in accomandita semplice* or a similar partnership); or

(c) a non-commercial private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities or the Italian State or other public and territorial entity; or

(d) an investor exempt from Italian corporate income taxation ("**IRES**"),

Interest derived from the Notes, paid during the relevant holding period, are subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorised intermediary and has validly opted for the application of the so-called risparmio gestito regime under article 7 of Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**") (see *Capital gains tax*" below).

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth pursuant to Italian law as amended and supplemented from time to time.

Noteholders engaged in an entrepreneurial activity

In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a credit that can be offset against the income tax due.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to IRES, currently applying at the ordinary rate of 24 per cent. and, in certain circumstances, depending on the status of the Noteholder, also to the Italian regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9 per cent. (IRAP applies at different rates for certain categories of investors, e.g. banks, financial institutions and insurance companies and, in any case, may be increased or decreased by regional laws).

Real estate investment funds and real estate SICAFs

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree 351**"), and Article 9, par. 1, Legislative Decree No. 44 of 4 March 2014, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of the Financial Services Act or pursuant to Article 14-*bis* of Law No. 86 of 25 January 1994, and Italian real estate investment companies with fixed capital (the "**Real Estate SICAFs**" and, together with the Italian resident real estate investment funds, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of such Real Estate Funds, provided that the Notes are timely deposited with an Intermediary (as defined below), but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder on a tax transparency basis, regardless of distribution.

Non-real estate funds, SICAVs and non-real estate SICAFs

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (other than a Real Estate Fund), a SICAF (an investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an investment company with variable capital) (together, the "**Funds**") established in Italy and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority and the relevant Notes are held by an Intermediary (as defined below), Interest paid during the holding period on such Notes will not be subject to *imposta sostitutiva* but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF. The Fund, the SICAV or the non-real estate SICAF are subject neither to imposta sostitutiva nor to any other income tax in the hands of the Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent. (the "**Collective Investment Fund Withholding Tax**").

Pension funds

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary (as defined below), interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period to be subject to a 20 per cent. substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth pursuant to Italian law as amended and supplemented from time to time.

Application of the imposta sostitutiva

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, Italian investment companies (*società di intermediazione mobiliare*) ("**SIM**s"), fiduciary companies, Italian asset management companies (*società di gestione del risparmio*) ("**SGR**s"), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must:

(a) be (i) resident in Italy, (ii) a permanent establishment in Italy of a non-Italian resident Intermediary or (iii) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Italian tax authorities having appointed an Italian representative for the purposes of Decree No. 239; and

(b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary meeting the requirements under (a) and (b) above, the *imposta sostitutiva* is applied and withheld by any Italian intermediary paying Interest to the Noteholders or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the suffered *imposta sostitutiva* from income taxes due. If Interest on the Notes is not collected through an Intermediary, or absent that, by the Issuer, the Italian resident Noteholders listed above under (a) to (d) will be required to include Interest in their annual income tax return and subject them to a final substitute tax at a rate of 26%.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner (certain types of institutional investors are deemed to be beneficial owners by operation of law) is either:

(a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an institutional investor, whether or not subject to tax, which is established in a country included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries not included in the White List.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of Interest or must qualify as "institutional investors" and

(a) deposit, in due time, directly or indirectly, the Notes together with the coupons relating to such Notes with (i) an Italian or non-resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "First Level Bank"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or (ii) an Italian-resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "Second Level Bank"). Organizations and companies that are not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree No. 239. If a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank; and

(b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, inter alia, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended. Additional requirements depend on the status of the Bondholder and the policies of the relevant depository.

Failure of a non–resident Noteholder to comply in due time with the procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to such non-resident Noteholder.

Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, provided that the relevant conditions are satisfied and subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) under Article 44 of Decree No. 917 and qualify as *titoli atipici* ("atypical securities") pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, as amended ("**Decree No. 512**"), may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, bonds or debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption or maturity, an amount not lower than their nominal value with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth pursuant to Italian law as amended and supplemented from time to time.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty (to the extent the conditions for its application are met).

Capital gains tax

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership (other than a *società in nome collettivo* or a *società in accomandita semplice* or a similar partnership) or a *de facto* partnership not carrying out commercial activities, or (iii) a non-commercial private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under certain conditions and limitations Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth pursuant to Italian law as amended and supplemented from time to time.

In respect of the application of *imposta sostitutiva*, taxpayers under (i) to (iii) above may choose one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss of the same kind, realised by the relevant investor holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same kind, in the annual tax return and pay *imposta* *sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted only from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime provided for by Article 7 of Decree No. 461 will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a substitute tax at a rate of 26 per cent., to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Noteholders engaged in an entrepreneurial activity

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected. Upon fulfilment of certain conditions, for IRES purposes the gains may be taxed in equal instalments over up to five fiscal years.

Real estate investment funds and real estate SICAFs

Any capital gains realised by a Noteholder who is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders of the Real Estate Fund and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and the percentage of its participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or the shareholder on a tax transparency basis, regardless of distribution.

Non-real estate Funds, SICAVs and non-real estate SICAFs

Any capital gains realised by an Italian Noteholder which is a Fund will not be subject to *imposta sostitutiva*. Such result will not be taxed with the Fund, but subsequent distributions made in favour of unitholders or shareholders and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Fund may be subject, in certain circumstances, to the Collective Investment Fund Withholding Tax.

Pension funds

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth pursuant to Italian law as amended and supplemented from time to time.

Non-Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets in Italy or abroad are neither subject to the *imposta sostitutiva* nor to any other Italian income tax (subject to timely filling of required documentation (in particular, a self-declaration stating that the Noteholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited). The Italian tax authorities have clarified that the notion of multilateral trading facility ("**MTF**") under EU Directive 2014/65/CE (so called MiFID II) can be assimilated to that of "regulated market" for income tax purposes; conversely, organized trading facilities (OTF) cannot be assimilated to "regulated market" for Italian income tax purposes.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the Noteholder is beneficial owner of the capital gain (certain types of institutional investors are deemed to be beneficial owners by operation of law) and: (a) is resident in a country which allows for a satisfactory exchange of information with Italy, as listed in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is established in a country included in the White List even if it does not possess the status of taxpayer therein in any case, to the extent all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time, if applicable. In this case, if the non Italian Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets and deemed to be held in Italy are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes provided all the conditions for its application are met. In this case, if the non-Italian resident Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian Noteholders.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident Noteholders retain the right to waive this regime.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of donation or succession of Italian residents and non-Italian residents (but in such latter case limited to assets held within the Italian territory – which, for presumption of law, includes bonds issued by Italian resident issuers) are taxed as follows:

1. transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

2. transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

3. any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in paragraphs 1, 2 and 3 on the value exceeding, for each beneficiary, €1,500,000.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree

461/1997, as subsequently amended. In particular, if the donee sells the Notes for consideration within five years from their receipt as a gift, the latter is required to pay the relevant imposta sostitutiva as if the gift had never taken place.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at a rate of €200.00; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax only in the case of voluntary registration, explicit reference (*enunciazione*) or (*caso d'uso*).

Stamp duty

Under Article 13(2ter) of the tariff, Part I of the Presidential Decree No. 642 of 26 October 1972, as amended, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.20 per cent. and cannot exceed €14,000 for taxpayers other than individuals; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount or in the case the nominal or redemption values cannot be determined, on the basis of purchase value of the Notes held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which it is not mandatory the deposit, the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Stamp duty applies both to Italian resident and to non-Italian resident investors, to the extent that the relevant securities (including the Notes) are held with an Italian-based financial intermediary (and not directly held by the investor outside Italy), in which case Italian wealth tax (see below under "*Wealth tax on securities deposited abroad*") applies to Italian resident Noteholders only.

Tax monitoring obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted with amendments by Law No. 227 of 4 August 1990, as amended, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return the amount of investments directly or indirectly held abroad regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding the Euro 15,000 threshold throughout the year, which per se do not require such disclosure).

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the beneficial owner of the instrument thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist, *inter alia*, for investments and financial activities (including the Notes) under management or administration entrusted to Italian resident intermediaries and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subject to Italian withholding or substitute tax by the intermediaries themselves.

Wealth Tax on securities deposited abroad

According to Article 19 of Law Decree No. 201 of 6 December 2011, converted into law by Law No. 214 of 22 December 2011, as amended by Article 1(710)(d) of Law 27 December 2019, No. 160 and Article 134 of Law Decree No. 34, individuals, non-commercial entities, and certain non-commercial partnerships (so called *società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes holding financial assets – including the Notes – outside of the Italian territory are required to declare in their own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent. ("**IVAFE**") (0.4 per cent., as of 2024, in case of financial assets held in States or territories with privileged tax regime identified by the Ministerial Decree of the Ministry of Economy and Finance of May 4, 1999). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value or in the case the nominal or redemption values cannot be determined, on the purchase value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets (including the Notes) held abroad are excluded from the scope of IVAFE if they are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from such instruments have been subject to tax by the same intermediaries. In this case, the above-mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree 642 does apply.

SUBSCRIPTION AND SALE

1. GENERAL

No action has been taken by the Issuer or any manager transacting with the Issuer for the purposes of the issue of the Notes (the "**Manager**") that would, or is intended to, permit a public offering of the Notes or possession or distribution of this Admission Document or any other offering or publicity material relating to the Notes in any country or jurisdiction where action for that purpose is required. The Manager shall obtain any consent, approval or permission which it is required to obtain for the offer, purchase or sale of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations.

2. UNITED STATES

2.1 No registration under Securities Act

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

2.2 Compliance by Issuer with United States securities laws

Neither the Issuer nor any of its affiliates (including any person acting on behalf of the Issuer or any of its affiliates excluding, for the avoidance of doubt, the Manager) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act and, in particular, that:

(a) *No directed selling efforts*: neither the Issuer nor any its affiliates nor any person acting on its or their behalf (excluding for the avoidance of doubt, the Manager) has engaged or will engage in any directed selling efforts with respect to the Notes; and

(b) *Offering restrictions*: the Issuer and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

2.3 Manager's compliance with United States securities laws

The Manager:

(a) *Offers/sales only in accordance with Regulation S*: has represented, warranted and undertaken to the Issuer that it has offered and sold the Notes, and will offer and sell the Notes:

   (i) *Original distribution*: as part of their distribution, at any time; and

   (ii) *Outside original distribution*: otherwise, until 40 days after the later of the commencement of the offering and the Issue Date, only in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

(A) *No directed selling efforts*: neither it nor any of its affiliates (including any person acting on behalf of the Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes; and

(B) *Offering restrictions*: it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and

(b) *Prescribed form of confirmation*: has undertaken to the Issuer that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period a confirmation or notice in substantially the following form:

"The securities covered hereby have not been registered under the United States Securities Act of 1933 (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

2.4 Manager's compliance with United States Treasury regulations

The Manager has represented, warranted and undertaken to the Issuer that:

(a) *Restrictions on offers etc*: except to the extent permitted under United States Treasury Regulation §1.163 5(c)(2)(i)(D) (the "**D Rules**"):

(i) *No offers etc to United States or United States persons*: it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and

(ii) *No delivery of definitive Notes in United States*: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period;

(b) *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules; and

(c) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163 5(c)(2)(i)(D)(6),

and, with respect to each affiliate of the Manager that acquires Notes from the Manager for the purpose of offering or selling such Notes during the restricted period, the Manager undertakes to the Issuer that it either (i) repeats and confirms the representations and agreements contained in sub-clauses 2.4(a), 2.4 (b) and 2.4(c)(i) on each affiliates behalf, or (ii) it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in sub-clauses 2.4(a), 2.4(b) and 2.4(c).

2.5 Interpretation

Terms used in Clauses 2.2 and 2.3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in Clause 2.4 above have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the D Rules.

3. UNITED KINGDOM

Prohibition of sales to UK Retail Investors

The Manager has represented, warranted and undertaken to the Issuer that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as amended as it forms part of the laws of the United Kingdom ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as amended as it forms part of UK domestic law by virtue of the EUWA; and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

The Manager has represented, warranted and undertaken to the Issuer that:

(a) *Financial promotion:* 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.

(b) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

4. REPUBLIC OF ITALY

(a) The Manager has represented and agreed that the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of any document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of the Financial Services Act and Italian CONSOB regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 and the applicable Italian laws.

(b) Any offer, sale or delivery of the Notes or distribution of copies of any document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and the Italian Banking Act; and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

5. BELGIUM

The Manager has represented, warranted and undertaken to the Issuer that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

6. PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Manager has represented, warranted and undertaken to the Issuer that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes 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/EC (as amended or superseded, **MiFID II**); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.