

**SUPPLEMENT DATED 11 JANUARY 2021
TO THE COVERED BOND BASE PROSPECTUS APPROVED ON 21 AUGUST 2020**

BANCO DI DESIO E DELLA BRIANZA S.P.A.

(incorporated with limited liability as a “Società per Azioni” under the laws of the Republic of Italy and registered at the Companies’ Registry of Monza e Brianza under registration number 01181770155)

Euro 3,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme

unconditionally and irrevocably guaranteed as to payments

of interest and principal by

DESIO OBG S.r.l.

(incorporated as a limited liability company in the Republic of Italy and registered at the Companies’ Registry of Treviso – Belluno under registration number 04864650264)

This document constitutes a supplement (the “**Supplement**”) to the prospectus dated 21 August 2020 (the “**Base Prospectus**”), which constitutes a base prospectus under Article 23 of Regulation (EU) 2017/1129 (as subsequently amended, the “**Prospectus Regulation**”) and is prepared in connection with the Euro 3,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme (the “**Programme**”) of Banco di Desio e della Brianza S.p.A. (the “**Issuer**”), unconditionally and irrevocably guaranteed as to payments of interest and principal by Desio OBG S.r.l. (the “**Guarantor**”).

This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus and any other supplement to the Base Prospectus prepared by the Issuer under the Programme. Terms defined in the Base Prospectus have the same meaning when used in this Supplement, unless they have been specifically defined herein.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the securities that are the subject of the Base Prospectus.

The Issuer and the Guarantor accept responsibility for the information in this Supplement. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been produced to: (i) update references to the company name of Securitisation Services S.p.A. and to the company name of Fitch Ratings Limited; (ii) update the sections entitled “*Risk Factors*”, “*Banco Desio as Issuer and Seller*”, “*Taxation*” and “*General Information*”; and (iii) incorporate by reference the press release headed “*Consolidated results at 30 September 2020*” published by the Issuer on 29 October 2020.

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INTERPRETATION

Starting from 28 October 2020, Securitisation Services S.p.A. has been merged by way of incorporation into Banca Finanziaria Internazionale S.p.A., a *società per azioni*, incorporated under the laws of the Republic of Italy, having its registered office at Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy, equity capital of € 71,817,500.00 fully paid-up, fiscal code and enrolment with the companies register of Treviso-Belluno number 04040580963, VAT Group “Gruppo IVA FININT S.P.A.” – VAT number 04977190265, enrolled in the register of banks held by the Bank of Italy, head of the banking group known as “*Gruppo Banca Finanziaria Internazionale*”, registered with the register of the banking group held by the Bank of Italy.

Therefore, in the Base Prospectus, any reference to “*Securitisation Services S.p.A.*” (in all its capacities) shall be intended as a reference to “*Banca Finanziaria Internazionale S.p.A.*”.

Moreover, in the Base Prospectus, any reference to “*Fitch Ratings Limited*” shall be intended as a reference to “*Fitch Ratings Ireland Limited Sede Secondaria Italiana*”.

RISK FACTORS

On pages 44–45 of the Base Prospectus, under the risk factor headed “*In respect of any Covered Bonds issued with a specific use of proceeds, such as a ‘Green Bond’, ‘Social Bond’ and ‘Sustainable Bond’, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*”, the first paragraph is deleted in its entirety and replaced as follows:

“The applicable Final Terms relating to any specific Series (or Tranche) of Covered Bonds may provide that it will be the Issuer’s intention to apply the proceeds from an offer of those Covered Bonds specifically for projects and activities that promote climate-friendly and other environmental purposes (“Green Eligible Projects”) and or that promote access to labour market and accomplishment of general interest initiatives (“Social Eligible Projects”). Prospective investors should have regard to the information in the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Covered Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealer(s) that the use of such proceeds for any Green Eligible Projects and for any Social Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Eligible Projects or the relevant Social Eligible Projects). It should be noted that the definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a “sustainable”, “green” or equivalently-labelled project or a loan that may finance such activity, and the requirements of any such label are currently under development. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the “EU Taxonomy”). On 9 March 2020, the European Union Technical Expert Group published its final report on the EU Taxonomy containing recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy, including in relation to a future European standard for green bonds proposed by the Technical Expert Group on Sustainable Finance in 2019 (the “EU Green Bond Standard”). On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament approved the text pursuant to the “early second reading agreement” procedure on 18 June 2020. On 22 June 2020, the Taxonomy Regulation was published in the Official Journal of the European Union and entered into force on 12 July 2020. The Taxonomy Regulation tasks the Commission with establishing the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective. These criteria will be established through delegated acts, whose drafts are currently under review. On 12 June 2020, the European Commission launched a public consultation on the creation of the EU Green Bond Standard. These texts are still to be implemented and the final texts may vary from the current recommendations, which may have an impact on the Covered Bonds that cannot be predicted at this stage. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Eligible Projects or any Social Eligible Projects will meet any or all investor expectations regarding such “green”, “social” or “sustainable” or other equivalently-

labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Eligible Projects and any Social Eligible Projects. Any such consequences could have an adverse effect on the liquidity and value of and return on any such Covered Bonds. As at the date of this Base Prospectus, the Issuer has not published a framework relating to an investment in Green Eligible Projects and in Social Eligible Projects although the Issuer intends to publish such framework prior to the issuance of any Covered Bonds which specify that the relevant proceeds will be used for Green Eligible Projects and for Social Eligible Projects.”

* * *

On page 54 of the Base Prospectus, under the risk factor headed “*Usury Law*”, the fourth sub-paragraph is deleted in its entirety and replaced as follows:

“To solve such a contrast between different Italian Supreme Court (Corte di Cassazione) decisions, a recent decision by the Italian Supreme Court (Corte di Cassazione) joint sections (Sezioni Unite) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rate as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective falling outside of the scope of the Usury Law.”

* * *

On page 54 of the Base Prospectus, under the risk factor headed “*Usury Law*”, the following sub-paragraph is added immediately after the fourth sub-paragraph:

“Moreover, the Italian Supreme Court (Corte di Cassazione) joint sections (Sezioni Unite) (n. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the ‘type’ of rate which determined the breach shall be deemed as null and void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to the last interpretation of the Supreme Court.”

* * *

On pages 61–62 of the Base Prospectus, the risk factor headed “*Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)*” is deleted and replaced as follows:

*“On 31 January 2020 (“**exit day**”), the UK withdrew from the EU. Pursuant to Articles 126 and 127 of the Article 50 Withdrawal Agreement that entered into force on exit day, the UK entered an implementation period during which it negotiated its future relationship with the EU under the political declaration that accompanied the Article 50 Withdrawal Agreement. During such implementation period – which ended at 11 p.m. UK time (midnight CET) on 31 December 2020 (the implementation period completion day, or “**IP completion day**”) – EU law generally continued to apply in the UK.*

*Following such negotiations, on 24 December 2020 the UK and the EU concluded a free trade agreement known as the ‘UK–EU Trade and Cooperation Agreement’ (the “**TCA**”). The TCA, which entered into force (initially on a temporary basis) on IP completion day, is principally a free trade agreement in goods. It does not address in any detail a number of areas, including the cross-border*

provision of services, the 'passporting' of UK and EU financial institutions, the determination of equivalence between EU and UK financial market regulations, or judicial cooperation in civil matters. In addition, on IP completion day, as a unilateral matter and in order to mitigate the effect of the EU Treaties no longer applying to the UK, the UK incorporated into its law (i.e. grandfathered) the majority of EU law as it stood at IP completion day ("EU retained law").

Notwithstanding the conclusion of the Withdrawal Agreement and the TCA by the EU and the UK, and the implementation by the UK of EU retained law, there remain significant uncertainties with regard to the political and economic outlook of the UK and the EU and there are likely to be changes in the legal rights and obligations of commercial parties across all industries, particularly in the services sector (including financial services) following the UK's exit from the EU.

There is a risk that other EU Member States could hold referenda as to their membership of, and ultimately leave, the EU, as did the UK, and that one or more EU Member States that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency, or that there is a prolonged period of uncertainty connected to these eventualities. These risks if they materialised could have a significant negative impact on global economic conditions and the stability of the international financial markets. This could include further volatility in equity markets, in the value of sterling and/or the Euro and in financial markets generally, a reduction in global market liquidity with a potential negative impact on asset prices, operating results and capital including as may impact the financial position of the Issuer and/or the Banco Desio Group and the market value and/or liquidity of the Covered Bonds in the secondary market.

In addition to the above, and in consideration of the fact that at the date of this Base Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Eurozone, the consequences of these decisions are exacerbated by the uncertainty regarding the methods by which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and/or the Banco Desio Group and/or the Issuer's ability to pay interest and repay principal under the Covered Bonds, as well as the market value and/or the liquidity of the Covered Bonds in the secondary market."

INFORMATION INCORPORATED BY REFERENCE

Press Release

By virtue of this Supplement, the English language version of the press release of the Issuer dated 29 October 2020 and headed “*Consolidated results at 30 September 2020*” is incorporated by reference in, and forms part of, the Base Prospectus.

The following table shows, *inter alia*, the information that can be found in the Press Release incorporated by reference into the Base Prospectus.

Press Release headed “*Consolidated results at 30 September 2020*” Pages 25–30

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Any document which is incorporated by reference into any of the documents incorporated in, and form part of, the Base Prospectus, shall not constitute a part of the Base Prospectus.

The Issuer, being the person responsible for the financial information included in the Press Release dated 29 October 2020, has approved such financial information.

Copies of the Press Release may be obtained from the registered office of the Issuer and the Issuer's website (<https://www.bancodesio.it/>) and will also be available on the following web site (https://www.bancodesio.it/sites/default/files/docs/2020_09_30_relazione_trimestrale_consolidata_B_DB_comunicato_BD.pdf).

BANCO DESIO AS ISSUER AND SELLER

On pages 174–176 of the Base Prospectus, under the paragraph headed “*Board of Directors since 23 April 2020*”, the table is deleted in its entirety and replaced as follows:

NAME AND SURNAME	OFFICE HELD IN BANCO DESIO	OFFICES HELD IN OTHER COMPANIES
Stefano Lado	Chairman and member of the Nomination Committee	<ul style="list-style-type: none"> – Director and Limited partner of Brianza Unione di Luigi Gavazzi e Stefano Lado Sapa – Director of Cedacri SpA – Director and member of the Management Committee of Fondo Interbancario di Tutela dei Depositi
Tommaso Cartone	Vice Chairman	
Alessandro Decio	Chief Executive Officer and Member of the Executive Committee	<ul style="list-style-type: none"> – Director of Fides SpA
Graziella Bologna	Director and member of the Executive Committee	
Cristina Finocchi Mahne	Director, Chairman of Nomination Committee, Chairman of Control and Risk Committee.	<ul style="list-style-type: none"> – Director and member of the Control and Risk Committee, of Nomination and Remuneration Committee of Trevi Finanziaria Industriale SpA – Board Member, Member of Control Risk and sustainability Committee of Elica Group – Chairman of the Advisory Committee of Fondo Urbe Retail, Generali Real Estate srl.
Agostino Gavazzi	Director and Chairman of the Executive Committee	<ul style="list-style-type: none"> – Chairman and Limited partner of Brianza Unione di Luigi Gavazzi e Stefano Lado Sapa
Egidio Gavazzi	Director and member of the Executive Committee	
Tito Gavazzi	Director and member of the Executive Committee	<ul style="list-style-type: none"> – Director and Limited partner of Brianza Unione di Luigi Gavazzi e Stefano Lado Sapa – Director of Fides SpA
Ulrico Dragoni	Director, member of Remuneration Committee and member of Related	Vice Chairman of Fondazione Cassa di Risparmio di Terni e Narni

	Parties Committee	
Valentina Casella	Director, Chairman of Remuneration Committee and member of Related Parties Committee	
Giulia Pusterla	Director, Chairman of Related Parties Committee, member of Risk and Sustainability Control Committee	<ul style="list-style-type: none"> – Chairman of Board of Auditors of Tod's SpA – Director, Chairman of Control and Risk Committee, member of Remuneration Committee, member of Related Parties Committee of Risanamento SpA
Laura Tulli	Director, member of Nomination Committee, member of Remuneration Committee	<p>Chairman of Tulli Acque Minerali S.r.l. and other</p> <p>Offices in Family's farms</p> <p>Director in SASE S.p.A. (Umbria International Airport)</p>

* * *

On page 177 of the Base Prospectus, under the paragraph headed "*General Management*", the table is deleted in its entirety and replaced as follows:

NAME AND SURNAME	OFFICE HELD IN BANCO DESIO	OFFICES HELD IN OTHER COMPANIES
Alessandro DECIO	CEO and General Manager	<p>Director of Telepass S.p.A.</p> <p>Director of Fides S.p.A.</p>

* * *

On page 180 of the Base Prospectus, under the paragraph headed "*Group's 2018–2020 Business Plan*", the following paragraph headed "*Group's 2021–2023 Business Plan*" is added:

"Group's 2021–2023 Business Plan

*On 17 December 2020, the Board of Directors of the Issuer approved the Banco Desio Group's Business Plan ("**Plan**") for the three-year period 2021 – 2023.*

The Issuer's Board of Directors retained that the requirements for the approval of the Plan have been met, even within an uncertain macroeconomic scenario, also given the very positive response to negative external events demonstrated by the company organisation and its customer base in 2020.

In 2020, the Issuer was able to provide support to customers that were experiencing economic-financial difficulties by successfully implementing initiatives to strengthen its capital stability and the income statement, the effects of which will be reflected to an even greater extent in future

years.

More specifically, the initiatives launched, which have partly been completed, while the remainder will be finalised in the first few months of 2021, can be divided into tactical projects, whose aim is to tackle and minimise the effects of the negative economic situation caused by the pandemic, by:

- *Optimising Costs*
- *Revising the range of banking products and strengthening the multi-channel approach*
- *Providing support to businesses (around EUR 2 billion in loans under the “Liquidity Decree”)*
- *Optimising funding*

and strategic initiatives, forerunners of the Plan, which entail:

- *A new service model, and the segmentation of local areas*
- *Restyling banking products*
- *Reorganising the Commercial Department*
- *Approving the Plan for voluntary retirement and personnel retraining*
- *Rendering processes more efficient and streamlined*
- *Complying with the highest European sustainability standards (ESG) by observing Guidelines on Group Corporate Social Responsibility.*

In line with the Banco Desio Group’s recent history, the Plan confirms its intention to strengthen efforts to renew and refocus the Issuer’s business model. The Issuer’s mission will continue to revolve around its customers, seeking to provide support to households and to SMEs in their businesses and in managing their assets, with a planned increase in loans and asset management.

In terms of capital, the Issuer continues to be able to maintain a level of CET1 significantly above SREP requirements (CET1 fully loaded 2023: 10.4%), in a particularly complex and challenging scenario.

The objective for the next three years is to streamline the structure of the Banco Desio Group to render it even more independent, enabling it to compete with the top medium-sized banks in terms of capital solidity, economic resilience and the quality of the services it provides to its customers.

Its business strategy is based on three main pillars, and will entail structural changes to wealth management and corporate customers, with a geographic strategy that is more focused on the Issuer’s historical areas of operation and a strong focus on the growth of its subsidiary company Fides (CQS and Consumer Credit).

In terms of technological and organisational change, the Plan incorporates the following enabling factors for its commercial strategy:

- *responsible technological development with a view to improve and streamline IT and operational processes to rebalance the weight between administrative and commercial activities; and*
- *a strong focus on human capital thanks to continuous dialogue with Group employees and the launch of new incentive and training programmes incorporating diversities as an element of added value to achieve strategic objectives in accordance with ESG guidelines.”.*

* * *

On page 185 of the Base Prospectus, under the paragraph headed “Banking Resolution under the EU

Bank Recovery and Resolution Directive (Brrd)”, the following sub-paragraph is added before the last sub-paragraph: “*In April 2020, the SRB published a letter which was sent to banks under its remit, outlining potential operational relief measures related to the COVID-19 outbreak. Of particular note, the SRB has stated that;*

- (a) it is committed to working on 2020 resolution plans and issuing 2020 decisions on MREL according to the planned deadlines but it will apply a pragmatic and flexible approach to consider, where necessary, postponing less urgent information or data requests related to the 2020 resolution planning cycle; and*
- (b) it regards the liability data report, the additional liability report and the MREL quarterly template as essential and it expects banks to make every effort to deliver these documents on time but will assess possible leeway in submission dates for other reports, such as those related to critical functions and access to financial market infrastructures.”*

* * *

On pages 185–186 of the Base Prospectus, under the paragraph headed “*Banking Resolution under the EU Bank Recovery and Resolution Directive (Brrd)*”, the following sub-paragraphs are added after the last sub-paragraph:

“In July 2020, the EBA published a statement on resolution planning in in the light of COVID-19. The EBA states that it aims to reaffirm that resolution planning is crucial in time of uncertainty to ensure that resolution is a credible option in case of failure. The focus of the statement is ensuring that the current situation is effectively taken into account by resolution authorities while maintaining a “through the cycle” approach and ensuring that resolvability objectives are achieved.

In August 2020, the EBA issued its Final Report on the draft ITS on disclosure reporting on MREL and TLAC, providing for: (i) draft uniform disclosure formats for MREL and TLAC disclosure according – respectively – to Articles 45i(6) of the BRRD and 434a of the CRR; (ii) draft uniform reporting templates, instructions and methodology for MREL and TLAC reporting according – respectively – to Articles 45i(5) of the BRRD and 430(7) of the CRR. Such draft ITS have been transmitted to the European Commission for its approval.

In September 2020, the European Commission issued a notice aimed at interpreting certain legal provisions of the revised bank resolution framework (i.e. BRRD, SRMR, CRR and CRD IV) in reply to questions raised by NCAs, addressing the following issues: (i) the power to prohibit certain distributions; (ii) powers to suspend payment or delivery obligations; (iii) selling of subordinated eligible liabilities to retail clients; (iv) minimum requirement for own funds and eligible liabilities; (v) bail-in tool; (vi) contractual recognition of bail-in; (vii) write down or conversion of capital instruments and eligible liabilities; (viii) exclusion of certain contractual terms in early intervention and resolution; and (ix) contractual recognition of resolution stay powers. As pinpointed by the same Commission, the notice merely clarifies the provisions already contained in the applicable legislation, while it does not extend in any way the rights and obligations deriving from such legislation nor introduce any additional requirements of the concerned operators and competent authorities.”

* * *

On page 186 of the Base Prospectus, under the paragraph headed “*The Supervisory Review and Evaluation Process*”, the following sub-paragraph is added after the first sub-paragraph:

“On 22 April 2020, the EBA published a statement on additional supervisory measures in the light of the COVID19. The EBA states that it recognises the need for a pragmatic and effective SREP, specific for the 2020 exercise. In light of the above, on 23 July 2020 the EBA issued the Final Report of the Guidelines “on the pragmatic 2020 supervisory review and evaluation process in light of the COVID-19 crisis”, aimed at making available to competent authorities a special procedure for the supervisory review and evaluation process (SREP) for the year 2020. In particular, they identify how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the COVID-19 pandemic.”

* * *

On page 187 of the Base Prospectus, under the paragraph headed “*The covered bond Directive and Regulation*”, the following sub-paragraphs are added after the last sub-paragraph:

“On 27 October 2020, the European Commission issued a draft delegated regulation aimed at amending Delegated Regulation (EU) 2015/61 (the “LCR Delegated Regulation”) on the Liquidity Coverage Ratio (LCR). The LCR Delegated Regulation is applicable to all credit institutions, including those issuing covered bonds. Such credit institutions are currently subject to the liquidity coverage requirement applicable for a period of 30 calendar days, during which a covered bond issuer has to ensure it has sufficient liquid assets (in the meaning of the LCR Delegated Regulation) to cover the net liquidity outflows (in the meaning of the LCR Delegated Regulation), including those stemming from the covered bond programme. At the same time, Directive (EU) 2019/2162 requires credit institutions issuing covered bonds to maintain at all times a liquidity buffer (“cover pool liquidity buffer”) composed of liquid assets available to cover the net liquidity outflows of their covered bonds programmes for a period of 180 days. The cover pool liquidity buffer established by the Directive (EU) 2019/2162 includes assets that meet all but one requirement to be recognised as liquid assets under the LCR Delegated Regulation: assets in the cover pool liquidity buffer are subject to the segregation requirement under the Article 12 of the Directive (EU) 2019/2162, making them encumbered and therefore ineligible in the LCR liquidity buffer, thus duplicating the liquidity requirements covered bonds issuers have to comply with. To ensure that Member States can address such overlap, Directive (EU) 2019/2162 includes an option for Member States to waive the specific cover pool liquidity buffer requirement for the time that the credit institution issuing covered bonds complies with other liquidity requirements under Union law. However, the exercise of the abovementioned waiver to avoid double counting would not be prudentially sound because, after the separation of the credit institution’s estates in stress scenarios, it would reduce the liquid assets in the cover pool intended to respond to its own payment obligations (liquid assets fulfilling the general liquidity coverage requirement are by definition unencumbered, meaning that they are freely available for the credit institution and part of its general estate). The draft delegated regulation aims to remove the overlap, by permitting credit institutions to treat liquid assets held as part of the cover pool liquidity buffer as unencumbered up to the amount of net liquidity outflows from the associated covered bond programme. Moreover, several additional changes to the LCR Delegated Regulation are proposed in the context of the draft delegated regulation at hand, in order to align the LCR Delegated Regulation with Article 129 of the CRR, as amended by Regulation (EU) 2019/2160. The consultation will remain opened until 24 november 2020.

On 29 October 2020, the Italian Senate approved the draft European Delegated Law 2019, which is aimed - once formally adopted - to delegate the Italian Government to implement - inter alia -

Directive (EU) 2019/2162. According to the draft European Delegated Law 2019:

- *the Bank of Italy will be the competent authority for the supervision on covered bonds;*
- *the implementing provisions shall provide for the exercise of the option granted by Article 17 of Directive (EU) 2019/2162, allowing for the issue of covered bonds with extendable maturity structures; and*
- *the implementing provisions shall grant the Bank of Italy with the power to exercise the option to set for covered bonds a minimum level of overcollateralization lower than the thresholds set out under Article 1 of Regulation (EU) 2019/2162 (i.e. 2% or 5% depending on the assets included in the cover pool)."*

TAXATION

On page 232 of the Base Prospectus, under the paragraph headed “*Italian resident Covered Bondholders*”, the third sub-paragraph is deleted in its entirety and replaced as follows:

“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 imposta sostitutiva, on Interest relating to the Covered Bonds if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1, paragraph 100-114, of Law No. 232 of 11 December 2016 (“Law No. 232”), as amended and supplemented from time to time.”

* * *

On pages 232-233 of the Base Prospectus, under the paragraph headed “*Italian resident Covered Bondholders*”, the seventh sub-paragraph is deleted in its entirety and replaced as follows:

“Where an Italian resident Covered Bondholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds 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. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1 paragraph 100-114 of Law No. 232, as amended and supplemented from time to time.”

* * *

On pages 235-236 of the Base Prospectus, under the paragraph headed “*Capital gains tax*”, the fourth sub-paragraph is deleted in its entirety and replaced as follows:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in 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 Italian capital gain taxes, including the imposta sostitutiva, on capital gains realised upon sale or redemption of the Covered Bonds if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in in Article 1 paragraph 100-114 of Law No. 232, as amended and supplemented from time to time.”

* * *

On page 236 of the Base Prospectus, under the paragraph headed “*Capital gains tax*”, the sixth sub-paragraph is deleted in its entirety and replaced as follows:

“Any capital gain realised by a Covered Bondholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian 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 a

20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1 paragraph 100–114 of Law No. 232, as amended and supplemented from time to time.”

* * *

On page 237 of the Base Prospectus, under the paragraph headed “*Wealth Tax on securities deposited abroad*”, the first sub-paragraph is deleted in its entirety and replaced as follows

“According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-commercial entities and certain partnerships (società semplici or similar partnerships in accordance with Article 5 of Decree No. 917) holding the Covered Bonds outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent (“IVAFE”). Pursuant to the provisions of Article 134 of Law Decree No. 34/2020, as converted into law with amendments by Law No. 77 of 17 July 2020, the wealth tax cannot exceed Euro 14,000.00 for taxpayers different from individuals. In this case the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.”

GENERAL INFORMATION

On page 245 of the Base Prospectus, the paragraph headed “No Significant Change” is deleted and replaced as follows:

“No Significant Change

There has been no significant change in the financial performance of Banco Desio and Desio Group since 30 September 2020, and there has been no significant change in the financial or trading position of Banco Desio and Desio Group since 30 September 2020.”

On pages 245–246 of the Base Prospectus, the paragraph headed “Documents available for inspection” is deleted and replaced as follows:

“Documents available for inspection

For so long as the Programme remains in effect or any Covered Bonds shall be outstanding and admitted to trading on the regulated market of Euronext Dublin, copies and, where appropriate, English translations of the following documents may be inspected, free of charge, by physical and/or electronic means during normal business hours (except for Saturdays, Sundays and public holidays) at the registered office of the Issuer, namely:

- (i) the Covered Bond Guarantee, which is available at https://www.bancodesio.it/sites/default/files/docs/chiomenti_covered_bond_guarantee_chiom_6107139_v1.pdf;*
- (ii) the Issuer’s memorandum of association (Atto Costitutivo) and by-laws (Statuto) as of the date hereof;*
- (iii) the Guarantor’s memorandum of association (Atto Costitutivo) and by-laws (Statuto) as of the date hereof available at https://www.bancodesio.it/sites/default/files/docs/28.07.2017_ass_e_statuto_0.pdf;*
- (iv) the Issuer’s half-year consolidated financial statements as at 30 June 2020;*
- (v) the press release dated 29 October 2020 on consolidated results at 30 September 2020, which is available at https://www.bancodesio.it/sites/default/files/docs/2020_09_30_relazione_trimestrale_consolidata_BDB_comunicato_BD.pdf;*
- (vi) the press release dated 22 May 2020 on the SREP requirements;*
- (vii) the press release dated 19 May 2020 stating the downgrade of the Issuer;*
- (viii) the press release dated 23 April 2020 concerning the new corporate bodies of the Issuer and amendments to the bylaws;*
- (ix) the press release dated 1 April 2020 on the suspension of dividend’s payment;*
- (x) the Issuer’s audited consolidated and non-consolidated annual financial statements in respect of the years ended on 31 December 2018 and 31 December 2019;*
- (xi) the non-consolidated financial statements of the Guarantor as at and for the year ended on 31 December 2018 and 31 December 2019;*

(xii) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;

(xiii) any Final Terms relating to Covered Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Covered Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

Copies of all such documents shall also be available to Covered Bondholders at the Specified Office of the Representative of the Covered Bondholders. Copies of documents listed under (i) to (xii) shall also be available at the following website <https://www.bancodesio.it/>.

It being understood that this Base Prospectus, any supplement to this Base Prospectus, Final Terms and documents incorporated by reference shall remain publicly available in electronic form for at least 10 (ten) years after the relevant publication.”

* * * * *

The language of this Supplement is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them.

Copies of the Base Prospectus and this Supplement may be obtained from the registered office of the Issuer and on the Issuer's website (<http://www.bancodesio.it>). The contents of the Issuer's website do not form part of this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.