



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 Milano-Monza e Brianza e Lodi under registration number 01181770155)

€3,000,000,000 Euro Medium Term Note Programme

Under the €3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Banco di Desio e della Brianza S.p.A. ("**Banco Desio**" or the "**Issuer**") may from time to time issue notes in dematerialised form ("**Notes**") denominated in any currency, as described in further detail herein. The Notes may be issued on a continuing basis to one or more of the Dealers (as defined in "*Certain Definitions*" below) and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 3,000,000,000 and, for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes, calculated in accordance with the provisions of the Programme Agreement (as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as Irish competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus 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 Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be listed on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), which is a regulated market for the purposes of the Markets in Financial Instruments Directive (EU) 2014/65, as amended and supplemented ("**EU MIFID II**"). The Programme also allows for Notes to be issued on the basis that they will: (i) be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed by the Issuer and the relevant Dealer(s) or (ii) not be admitted to listing, trading or quotation by any competent authority, stock exchange and/or quotation system. In particular, application may be made for Notes to be admitted to listing on the Electronic Bond Market (*Mercato Telematico delle Obbligazioni* or the "**MOT**") organised and managed by Borsa Italiana S.p.A. For this purpose, the Central Bank of Ireland has been requested to provide the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") as competent authority in the Republic of Italy under the Prospectus Regulation, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation (an "**Approval Notification**"). The Issuer may request the Central Bank of Ireland to provide competent authorities in additional host Member States within the European Economic Area with an Approval Notification.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval (i.e. until 12 September 2026) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**"). For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*" on pages 20 to 50.

The Notes issued will be governed by Italian law and will be held in dematerialised form on behalf of their beneficial owners by Monte Titoli S.p.A., now trading as Euronext Securities Milan ("**Euronext Securities Milan**") for the account of its account holders, as described in further detail in the section entitled "*Form of the Notes*".

Arranger and Dealer for the Programme
IMI-Intesa Sanpaolo

The date of this Base Prospectus is 12 September 2025

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IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus in respect of all Notes for the purposes of Article 8(1) of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The terms and conditions generally applicable to the Notes are those set out in this Base Prospectus under "*Terms and Conditions of the Notes*" (the "**Conditions**" or the "**Terms and Conditions**"). Each Tranche (as defined herein) of Notes will be issued on the terms set out in the Conditions, together with a document specific to such Tranche called final terms (the "**Final Terms**"), which will be substantially in the form shown in the section of this Base Prospectus entitled "*Form of Final Terms*" and will specify the detailed terms of that Tranche.

Alternatively, such terms may be set out in a separate prospectus specific to such Tranche (a "**Drawdown Prospectus**"), which will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) pursuant to Article 6(3) of the Prospectus Regulation, by separate documents consisting of a securities note containing the necessary information relating to those Notes, and, if necessary, a registration document containing the necessary information relating to the Issuer. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

This Base Prospectus must be read and construed together with any supplements hereto and with any document incorporated by reference herein (see "*Documents incorporated by reference*" below) and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Issuer has confirmed to the Dealers that this Base Prospectus (including, for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of information contained in this Base Prospectus. The Dealers accept no liability in relation to this Base Prospectus or any document forming part of this Base Prospectus or

the distribution of any such document or with regard to any other information supplied by or on behalf of the Issuer.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented by a supplement or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the business, condition (financial or otherwise), results of operations or prospects of the Issuer since any such date or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing that information.

Neither this Base Prospectus nor any Final Terms nor any other information supplied in connection with the Programme or the issue of any Notes (a) is intended to provide the basis of any credit or other evaluation, (b) constitutes an offer or an invitation to subscribe for or purchase any Notes or (c) should be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the affairs, condition (financial or otherwise), prospects and credit-worthiness of the Issuer.

Notes issued as Green Bonds

None of the Dealers accepts any responsibility for any environmental assessment of any Notes issued as Green Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green" or similar labels (including in relation to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy Regulation") and any related technical screening criteria) or any requirements of such labels as they may evolve from time to time. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, nor is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

In addition, none of the Dealers has conducted any due diligence on the Green Bond Framework (as defined in "*Use of Proceeds*" below). The Second Party Opinion (as defined in "*Use of Proceeds*" below) is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Dealers, nor the Issuer as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party (whether or not solicited by the Issuer) made available in connection with an issue of Notes issued as Green Bonds. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

Any Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or the Dealers, or the Agents or any other person to buy,

sell or hold any Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Green Bond Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus.

The Green Bond Framework, the Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Base Prospectus.

Each prospective investor should have regard to the factors described in the Issuer's Green Bond Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any Green Bonds before deciding to invest.

See also the Risk Factor headed "*Notes issued as Green Bonds*".

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on the offering, sale and delivery of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*" below. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended, the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to EEA Retail Investors*" as "Applicable", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling such Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to UK Retail Investors*" as "Applicable", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (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 domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the EU 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 domestic law by virtue of the EUWA. Consequently, no key information document required by the EU PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling such Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer(s)' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the relevant provisions of Commission Delegated Directive (EU) 2017/593 (as amended, the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer(s)' target market assessment; however, a distributor subject to the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the relevant provisions UK MiFIR product governance rules set out in FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

CREDIT RATINGS: As at the date of this Base Prospectus, the Issuer's long-term rating is BBB– by Fitch Ratings Ireland Limited ("**Fitch**") and BBB– by S&P Global Ratings Europe Limited ("**S&P**"). As at the date of this Base Prospectus, the Issuer's short-term issuer default rating is F3 by Fitch and A–3 by S&P. Each of Fitch and S&P is established in the EEA and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the "**EU CRA Regulation**") Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as any rating assigned to the Issuer, the Programme (if any) or Notes already issued. Where an issue of Notes is rated, the Final Terms will disclose whether or not each credit rating will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) issued or endorsed by a credit rating agency not established in the EEA but certified under the EU CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued and endorsed or certified as described above. The European Securities and Markets Authority ("**ESMA**") maintains a list of credit rating agencies registered and certified in accordance with the EU CRA Regulation, which may be consulted on the following page from its website:

<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>.

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

BENCHMARKS REGULATION: Interest amounts payable under the Notes may be calculated by reference, *inter alia*, to EURIBOR, the Constant Maturity Swap rate ("**CMS Rate**") or such other reference rate as specified in the relevant Final Terms. If any such reference rate constitutes a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"), the Final Terms will indicate whether or not that benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation (the "**EU Benchmarks Register**"). As at the date of this Base Prospectus: (1) EURIBOR is provided and administered by the European Money Markets Institute ("**EMMI**"), which is included on the EU Benchmarks Register; and (2) the CMS Rate is provided and administered by ICE Benchmark Administration Limited ("**IBA**"), which is not included on the EU Benchmarks Register. As far as the Issuer is aware, the transitional provisions of Article 51 of the Benchmarks Regulation apply, such that IBA is currently not required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence). Not every reference rate will fall within the scope of the Benchmarks Regulation.

The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes, as well as any investigations and licensing issues, in making any investment decision with respect to the Notes linked to or referencing a benchmark.

Suitability of the Notes as an investment

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any supplement thereto;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from its own currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

CERTAIN DEFINITIONS

In this Base Prospectus, unless otherwise specified or where the context requires otherwise:

- (i) references to "**billions**" are to thousands of millions;
- (ii) "**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg;
- (iii) references to the "**Conditions**" are to the terms and conditions relating to the Notes, set out in this Base Prospectus in the section "*Terms and Conditions of the Notes*" and any reference to a numbered "**Condition**" is to the correspondingly numbered provision of the Conditions of the Notes;
- (iv) the "**Dealers**" means Intesa Sanpaolo S.p.A., together with any additional Dealer appointed by the Issuer under the Programme from time to time, either for a specific issue or on an ongoing basis;
- (v) references to "**€**", "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended;
- (vi) "**Euroclear**" means Euroclear Bank SA/NV;
- (vii) "**Euronext Securities Milan**" means Monte Titoli S.p.A., now trading as Euronext Securities Milan;
- (viii) the "**Group**" or "**Banco Desio Group**" means the Issuer and each of its subsidiaries taken as a whole;
- (ix) "**IFRS**" means International Financial Reporting Standards, as adopted by the European Union and as implemented under the Bank of Italy's instructions contained in Circular No. 262 of 22 December 2005, as amended;
- (x) the "**Issuer**" or "**Banco Desio**" means Banco di Desio e della Brianza S.p.A.;
- (xi) references to a "**Member State**" are to a Member State of the European Economic Area; and
- (xii) references to a "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) purchased by one Dealer, be to such Dealer and, in the case of an issue of Notes being (or intended to be) purchased by more than one Dealer, be to the lead manager of such issue.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

A forward-looking statement is a statement which does not relate to historical facts and events but which is based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. Forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases. This applies, in particular, to statements containing information on future earning capacity, plans and expectations regarding a company's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Any forward-looking statements in this Base Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and/or be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Issuer's business is also subject to a number of risks and uncertainties that could cause any forward-looking statement, estimate or prediction in this Base Prospectus to become inaccurate. Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risks related to the Issuer*".

In the light of these risks, uncertainties and assumptions, any future events described in this Base Prospectus may not occur. In addition, the Issuer assumes no obligation, except as required by law, to update any forward-looking statement, whether as a result of new information, future events or otherwise, or to conform these forward-looking statements to actual events or developments.

PRESENTATION OF FINANCIAL INFORMATION

Historic Financial Information

The financial information included under the sections "*Risk Factors*" and "*Description of the Issuer*" of this Base Prospectus relating to the Issuer has been derived from the audited consolidated and non consolidated financial statements of the Issuer for the financial years ended, respectively, 31 December 2023 and 31 December 2024, and from the unaudited consolidated interim financial statements of the Issuer as at 30 June 2025.

Alternative Performance Measures

This Base Prospectus contains certain financial measures that the Issuer considers as constituting alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority (ESMA) Guidelines of 5 October 2015 (ESMA/2015/1415).

Investors should view the APMs as complementary to, and not a substitute for, the figures determined according to IFRS.

APM	Definition/reconciliation	Relevant Use
R.O.E.	Calculated comparing the income for the period with the equity adjusted by the valuation reserve	Profitability indicator
Cost/Income	Net income divided by average Risk Weighted Assets	Profitability indicator
Gross non-performing loans growth rate	Annual change of the growth of non-performing loans	Profitability indicator
Texas Ratio	the stock of the net non-performing loans divided by the Own Fund	Profitability indicator
Gross NPE Ratio	the stock of gross non-performing loans divided by the gross assets	Profitability indicator
Net NPE Ratio	the stock of net non-performing loans divided by the net assets	Profitability indicator

The Issuer believes that the above APMs provide useful information to investors regarding its financial position and performance, allowing for comparison with similar measures published by other banks as well as average industry standards and better illustrating specific aspects and trends of the Issuer's business activity.

Nevertheless, investors should be aware that:

- the above APMs are not recognised as a measure of performance under IFRS and, although derived from the Issuer's consolidated financial statements, are not audited;
- they should not be regarded as an alternative to operating income or net income or any other performance measures recognised as being in accordance with IFRS or any other generally accepted accounting principles;
- they are used by management to monitor the underlying performance of the business and operations but are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results;
- the above APMs should be read in conjunction with the Group's financial information from the Issuer's consolidated financial statements incorporated by reference in this Base Prospectus; and
- since not all companies calculate APMs in an identical manner, the Issuer's presentation of them may not be comparable to similar APMs used by other banks.

In view of the above, investors are cautioned not to place undue reliance on any such data.

GENERAL DESCRIPTION OF THE PROGRAMME

This section is a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 (as amended) and must be read as an introduction to this Base Prospectus. Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any information incorporated by reference.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the whole of this Base Prospectus, including the information incorporated by reference.

Issuer:	Banco di Desio e della Brianza S.p.A.
Issuer's Legal Entity Identifier (LEI):	81560026D234790EB288
Arranger:	Intesa Sanpaolo S.p.A.
Dealers:	Intesa Sanpaolo S.p.A. and any other Dealer appointed from time to time by the Issuer, either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Paying Agent:	Banco di Desio e della Brianza S.p.A. or, in relation to any Series, such other paying agent(s) as may be named in the relevant Final Terms or subsequently appointed by the Issuer, either instead of or in addition to the Issuer.
Listing Agent:	McCann FitzGerald Listing Services Limited
Listing, approval and admission to trading:	This Base Prospectus has been approved by the Central Bank of Ireland, as Irish competent authority under the Prospectus Regulation. Application has been made for Notes issued under the Programme to be listed on the official list of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin. Notes may also be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed by the Issuer and the relevant Dealer(s). Notes which are neither listed nor admitted to trading on any market may also be issued. In particular, application may be made for Notes to be admitted to listing on the MOT and, for this purpose, the Central Bank of Ireland has been requested to provide CONSOB, as competent authority in the Republic of Italy under the Prospectus Regulation, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation (an "Approval Notification"). The Issuer may request the Central Bank of Ireland to provide competent authorities in additional host Member States within the European Economic Area with an Approval Notification. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets. With respect to Notes to be admitted to trading on Euronext Dublin, the Final Terms

	will be published on the website of Euronext Dublin (www.euronext.com/en/markets/dublin).
Clearing Systems:	Euronext Securities Milan and/or in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	€3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the Issue Date, the Interest Commencement Date, the Issue Price and the amount and date of the first payment of interest may be different in respect of different Tranches and each Tranche may comprise Notes of different denominations.
Final Terms:	Notes issued under the Programme will be issued pursuant to this Base Prospectus and associated Final Terms. The aggregate principal amount of any particular Tranche of Notes, interest (if any) payable in respect of such Notes, their issue price and any other terms and conditions not contained in the Conditions which are applicable to such Notes will be set out in the Final Terms.
Form of the Notes:	The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan, for the account of the relevant Euronext Securities Account Holders. The Notes have been accepted for clearance by Euronext Securities Milan. The Notes will at all times be held in book entry form and title to the Notes and will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24 February 1998, No. 58 as subsequently amended and supplemented (" Financial Services Act ") and in accordance with CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as subsequently amended and supplemented (" CONSOB and Bank of Italy Joint Regulation "). No physical document of title will be issued in respect of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83- <i>quinquies</i> of the Financial Services Act. For further information, see section " <i>Form of the Notes</i> ".
Currencies:	Notes may be denominated in Euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Notes:	Notes may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. See Conditions 4

(*Status of Senior Preferred Notes*), 5 (*Status of Senior Non-Preferred Notes*) and 6 (*Status of Subordinated Notes*).

(1) *Status of Senior Preferred Notes:*

Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application and save for obligations ranking junior to the Senior Preferred Notes from time to time, including Senior Non-Preferred Notes of the Issuer).

(2) *Status of Senior Non-Preferred Notes:*

Subject to the provisions of Condition 5 (*Status of Senior Non-Preferred Notes*), the obligations of the Issuer under the Senior Non-Preferred Notes in respect of principal, interest and other amounts due thereunder constitute direct, unconditional, unsubordinated, unsecured and non-preferred obligations of the Issuer, ranking (i) junior to Senior Preferred Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms, senior to the Senior Non-Preferred Notes, including claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR, and (ii) at least *pari passu* without any preferences among themselves, and with all other present or future unsubordinated and non-preferred obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Senior Non-Preferred Notes and (iii) in priority to any subordinated instruments, to any present or future claims ranking junior to such Series of Senior Non-Preferred Notes and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1–*bis*, letter c–*bis* of the Consolidated Banking Law, as amended from time to time, and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority, all as described in Condition 5(b) (*Status of Senior Non-Preferred Notes*) and the applicable Final Terms.

(3) *Status of Subordinated Notes:*

Subject to the provisions of Condition 6 (*Status of Subordinated Notes*), the Subordinated Notes constitute direct and unsecured obligations of the Issuer, subordinated as described below. Save as provided in Condition 6(c) (*Status of disqualified Subordinated Notes*), the Subordinated Notes rank *pari passu* without any preference among themselves. In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by the Issuer

in respect of principal and interest thereon will be paid *pro rata* on all Subordinated Notes of such Series.

In the event of compulsory winding up (*Liquidazione Coatta Amministrativa* of the Issuer), for so long as the relevant Series of Subordinated Notes qualify, in whole or in part, as Tier II Capital, the payment obligations of the Issuer under each Series of Subordinated Notes will rank in right of payment (A) after unsubordinated unsecured creditors (including depositors and any holder of Senior Notes) of the Issuer and all other creditors of the Issuer holding instruments that are less subordinated than the Subordinated Notes (including any subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*)) but (B) at least *pari passu* with all other subordinated obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes, including holders of present or future outstanding Tier II Capital of the Issuer and (C) in priority to the claims of shareholders of the Issuer and to the claims of creditors of the Issuer holding instruments that are more subordinated than the Subordinated Notes.

If the relevant Series of Subordinated Notes do not qualify (or cease to qualify) in their entirety as own funds items (*elementi di fondi propri*), such Subordinated Notes will rank *pari passu* without any preference among the Notes and: (A) at least *pari passu* with the Issuer's obligations in respect of any other subordinated instruments that have ceased to qualify, in their entirety, as own funds items (*elementi di fondi propri*) and with all other subordinated indebtedness of the Issuer that have such ranking; (B) in priority to payments to holders of present or future outstanding indebtedness which qualifies, in whole or in part, as own funds items (*elementi di fondi propri*), including Additional Tier 1 Capital and Tier II Capital; and (C) junior in right of payment to the payment of any present or future claims of depositors of the Issuer and any other unsubordinated creditors of the Issuer (including Senior Notes).

Issue Price:

Notes will be issued on a fully paid basis and may be issued at any price, as specified in the relevant Final Terms.

Maturities:

Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Unless otherwise permitted by current laws, regulations, directives and/or the applicable requirements of the Regulatory Authority: (1) Senior Non-Preferred Notes shall have a maturity of not less than twelve months; and (2) Subordinated Notes shall have an original maturity of at least five years. If Subordinated Notes have an indefinite maturity, they may be redeemable only

after five years' prior notice given to Noteholders, subject in any event to the prior authorisation of the Regulatory Authority.

Where Senior Preferred Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the Issuer.

Redemption Amount:

Subject to any purchase and cancellation or early redemption or repayment, the Notes will be redeemable at par.

Redemption:

Subject to any purchase and cancellation or early redemption or repayment, Notes are redeemable at par as specified in the applicable Final Terms.

The redemption at maturity of Senior Notes pursuant to Condition 12(a) (*Scheduled redemption*) and any early redemption pursuant to Condition 12(b) (*Redemption for tax reasons*), Condition 12(d) (*Redemption at the option of the Issuer*) and Condition 12(h) (*Redemption due to a MREL Disqualification Event*) shall be subject, where applicable, to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the MREL Requirements at the relevant time (including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Non-Preferred Notes at such time as Eligible Liabilities available to meet the MREL Requirements).

The redemption at maturity of Subordinated Notes pursuant to Condition 12(a) (*Scheduled redemption*) and any early redemption pursuant to Condition 12(b) (*Redemption for tax reasons*), Condition 12(c) (*Redemption for regulatory reasons*) and Condition 12(d) (*Redemption at the option of the Issuer*) shall be subject to the prior approval of the Regulatory Authority to the extent required by and in accordance with the Applicable Banking Regulations. If such approval is not given on or prior to the relevant redemption date, the Issuer will re-apply to the Regulatory Authority for its consent to such redemption as soon as the conditions permit. The Issuer will use its best endeavours to maintain the required regulatory capital and to obtain such approval.

Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or (in the case of Senior Notes only) the Noteholders to the extent (if at all) specified in the relevant Final Terms. If the Notes are Senior Non-Preferred Notes, the Optional Redemption Date (Call) must not be earlier than 12 months after the Issue Date.
	If the Notes are Subordinated Notes, the Optional Redemption Date (Call) must not be earlier than five years after the Issue Date. In addition, early redemption of Subordinated Notes at the option of the Issuer is subject to prior approval of the Regulatory Authority.
Tax or Regulatory Redemption:	Except as described in "<i>Optional Redemption</i>" above, early redemption will only be permitted for tax reasons or, in the case of Subordinated Notes, for regulatory reasons, or, in the case of Senior Notes, following a MREL Disqualification Event, as described in Conditions 12(b) (<i>Redemption for tax reasons</i>), 12(c) (<i>Redemption for regulatory reasons</i>) and 12(h) (<i>Redemption due to a MREL Disqualification Event</i>) respectively. Early redemption of Subordinated Notes will in any event be subject to the prior approval of the Regulatory Authority.
Clean-up Redemption Option:	Notes may be redeemed, in whole but not in part and to the extent (if at all) specified in the relevant Final Terms, if 75% or any higher percentage specified in the relevant Final Terms of the initial aggregate principal amount of the Notes of the same Series (which, for the avoidance of doubt, includes any additional Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled. Any such redemption shall be subject to the prior consent of the Regulatory Authority.
Variation:	In relation to Senior Notes, if (i) at any time a MREL Disqualification Event occurs or, if Variation for an Alignment Event is indicated as applicable in the relevant Final Terms, an Alignment Event occurs and is continuing in relation to any Senior Notes and/or (ii) in order to ensure the effectiveness and enforceability of Condition 24 (<i>Contractual Recognition of Bail-in Power</i>) with respect to Senior Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from the Regulatory Authority, if so required (without any requirement for the consent or approval of the holders of the Senior Notes of that Series), at any time vary the terms of such Senior Notes, so that they remain or, as applicable, become, Qualifying Notes (as defined in the Conditions), <i>provided that</i> such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

In relation to Subordinated Notes, if Variation for an Alignment Event is indicated as applicable in the relevant Final Terms and an Alignment Event occurs, in order to ensure the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*), then the Issuer may, subject to giving any notice required to, and receiving any consent required from, the Regulatory Authority, if so required, (without any requirement for the consent or approval of the holders of the Subordinated Notes of that Series) modify the terms of all (but not only some) of such Subordinated Notes so that they become or remain Qualifying Notes, *provided that* such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

The Regulatory Authority has discretion as to whether or not to approve any variation of the Subordinated Notes. Any such variation which is considered by the Regulatory Authority to be material shall be treated by it as the issuance of a new instrument. Hence, the Subordinated Notes so modified must be eligible as Tier II Capital in accordance with the prevailing Applicable Banking Regulations which may include a requirement (save in certain prescribed circumstances) that the Subordinated Notes may not be redeemed or repurchased prior to five years after the effective date of such variation.

Interest:

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination of the two. Notes bearing interest at a fixed rate may contain provisions for interest to be reset on one or more occasions by reference to a mid-market swap rate. The method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Benchmark Replacement:

Condition 10(i) (*Benchmark replacement*) provides for certain fallback arrangements in the event that a Benchmark Event (as described in Condition 10(i) (*Benchmark replacement*)) occurs in relation to an Original Reference Rate at any time when the Conditions provide for any remaining Rate of Interest (or any component part(s) thereof) to be determined by reference to such Original Reference Rate. In such event, the Issuer shall use its reasonable endeavours to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 10(i)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 10(i)(ii)), as well as any Benchmark Amendments (in accordance with Condition 10(i)(iii)). See Condition 10(i) (*Benchmark replacement*) for further information.

Denominations:

Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, and save that the minimum denomination of (i) Senior Non-Preferred Notes will be €150,000; (ii) Subordinated

Notes will be €200,000; and (iii) Senior Preferred Notes will be €100,000, or (in each of the above cases) the equivalent amount where the Notes are denominated in a currency other than euro or such other minimum denomination provided by applicable law from time to time.

Negative Pledge:

None.

Taxation:

All payments in respect of Notes will be made free and clear of withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to the exceptions set out in Condition 14 (*Taxation*)) pay such additional amounts in respect of, with regard to the Senior Preferred Notes not qualifying at such time as liabilities that are eligible to meet the MREL Requirements only, principal and interest (if permitted by MREL Requirements), and, with regard to any Notes, interest only (and not in respect of principal), as they would have received in respect of such Notes had no such withholding or deduction been required.

As more fully set out in Condition 14 (*Taxation*), the Issuer shall not be liable in certain circumstances to pay any additional amounts to holders of the Notes, including circumstances where any payment, withholding or deduction is required:

- (i) pursuant to Decree No. 239 on account of Italian substitute tax, as defined therein in relation to interest or premium payable on, or other income deriving from, the Notes;
- (ii) by the provisions of U.S. federal income tax law commonly referred to as the U.S. Foreign Account Tax Compliance Act (or FATCA) as a result of a holder, a beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding.

Governing Law of the Notes:

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

Ratings:

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension,

reduction or withdrawal at any time by the assigning rating agency.

The Final Terms will disclose whether or not each credit rating applied for in relation to the relevant Series of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) by a credit rating agency which is certified under the EU CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency falling under the above categories. ESMA maintains a list of credit rating agencies registered and certified in accordance with the EU CRA Regulation on the following page from its website:

<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, Italy, France and Japan, see "*Subscription and Sale*" below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. The Issuer believes that the following factors are those specific to the Issuer and may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes issued under the Programme, but 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 material risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The risks that are specific to the Issuer are presented in two categories and the risks that are specific to the Notes are presented in three categories, in each case in a manner which is consistent with the materiality assessment carried out by the Issuer based on the probability of their occurrence and the expected magnitude of their negative impact on the business, financial condition and results of operations of the Issuer and the Group.

Prior to making any investment decision, prospective investors should read these risk factors together with the other detailed information set out elsewhere in this Base Prospectus, including any documents incorporated by reference herein, and reach their own views, based upon their own judgment and upon advice from such financial, legal, tax and other professional advisers as they deem necessary, prior to making any investment decision.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.

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

The risks below have been classified under the following categories:

- *Risks relating to the Issuer's financial position; and*
- *Risks relating to the Issuer's business activity and industry and the relevant market environment.*

RISKS RELATING TO THE ISSUER'S FINANCIAL POSITION

Liquidity risk

The Issuer's business is subject to risks concerning any downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur and may affect the ability of the Issuer and its Group to access the funding they need, or may increase the costs of such funding, which may cause liquidity stress. If any concerns over sovereign and bank solvency persist, there is a danger that inter-bank funding may become generally unavailable or available only at elevated interest rates, which might have an adverse impact on the Issuer's access to, and cost of, funding. Should the Issuer be unable to continue to source a sustainable funding profile, the Issuer's ability to fund its financial obligations at a competitive cost, or at all, could be adversely affected. These factors may have an adverse impact on the Issuer's business, financial condition and results of operations.

For more information on processes and measurement of credit risk please, see the half-year consolidated financial statements of the Issuer as at 30 June 2025, incorporated by reference to this

Base Prospectus.

Risks associated with the Issuer's rating

The risk associated with the ability of the Issuer to meet its obligations, generated by the issue of debt instruments and money market instruments, is measured by reference to credit ratings assigned by independent rating agencies. A rating may be suspended, lowered or withdrawn at any time by the rating agency by which it has been assigned.

A rating downgrade might restrict the availability of funding, result in higher funding and refinancing costs for the Issuer in the capital markets, reduce its access to capital markets or increase its cost for individuals and companies at a local level. The credit ratings assigned to the Issuer by rating agencies are instrumental to its access to sources of wholesale funding and the cost of such funding. As of the date of this Base Prospectus, the Issuer has been rated “BBB-” (long-term issuer default rating) and “F3” (short-term issuer default rating) by Fitch and “BBB-” (long-term issuer default rating) and “A-3” (short-term issuer default rating) by S&P. These ratings and any other ratings may be revised or withdrawn at any time by the relevant agencies. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant.

A downgrade, suspension or withdrawal of any of the Issuer's ratings may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse effect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients. This could have a material adverse effect on the Desio Group's business, financial conditions and results of operations. Similarly, any downgrade, suspension or withdrawal of any of any ratings assigned to the Issuer or the Notes could adversely affect the market price of the Notes.

Note that the level of interest payments due on the Notes will not be amended on the basis of the credit standing of the Issuer.

RISKS RELATING TO THE ISSUER'S BUSINESS ACTIVITY AND INDUSTRY AND THE RELEVANT MARKET ENVIRONMENT

Credit and market risk

The Issuer is exposed to general credit risk, including the failure of instruments and strategies which are used by the banking group of which the Issuer is the parent company (the “Desio Group”) or which are already in place to hedge or otherwise manage its exposure to credit or market risk; in this case, the Desio Group may not be able to hedge effectively its risk exposure. The Desio Group's trading revenues and interest rate risk are dependent upon its ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates and on how effectively it determines and assesses the cost of credit and manages its own credit risk and market risk concentration.

There can be no assurance that the credit procedures put in place by the Issuer will assess accurately and hedge all of the risks of exposure to failure by borrowers, guarantors, issuers or other counterparties to honour contractual obligations, and increased defaults of these counterparties and/or inadequate loans provisioning, as well as a worsening of the credit rating of counterparties or a material failure to hedge exposures to them, may negatively impact the Issuer's and Banco Desio Group's financial condition and results of operation. Moreover, the Issuer and Banco Desio Group remain exposed to the risk of loss as a result of market risk and, principally, the risks of interest rate and exchange rate volatility.

For more information on processes and measurement of credit risk please, see the half-year consolidated financial statements of the Issuer as at 30 June 2025, incorporated by reference to this Base Prospectus.

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

The rules on capital adequacy for banks defining the prudential minimum capital requirements, the quality of capital resources and risk mitigation instruments are complex and evolve regularly. In addition, the ECB, as well as the Bank of Italy, can and do 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.

Capital adequacy requirements include – in addition to CET 1, Tier 1 and Total Capital ratios, together with the additional SREP requirements, and the combined buffer requirement – the requirement to maintain a Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"), expressed as a percentage of total risk exposure amount ("**MREL-TREA**") and as a percentage of its leverage ratio exposure ("**MREL-LRE**"), with a view to facilitating a smooth resolution of the bank, in the event of a resolution decision.

Liquidity requirements include: the Liquidity Coverage Ratio ("**LCR**"), aimed at ensuring the ongoing ability of the bank to meet its short-term obligations. From June 2021, the banks are also required to meet a binding leverage ratio of 3 per cent, which is aimed at preventing banks from excessively increasing their leverage levels, and the binding Net Stable Funding Ratio ("**NSFR**"), designed to ensure that banks finance their long-term activities with stable sources of funding in order to increase banks' resilience to funding constraints.

Moreover, the Issuer is subject to extra capital requirements ("**Pillar 2 Requirement**") to cover risks believed to not be covered, or are insufficiently covered, by the minimum capital requirements for banks imposed under the Directive 2013/36/EU, which are impacted, on an on-going basis, by the Supervisory Review and Evaluation Process ("**SREP**"). Following the SREP the Bank of Italy provides, on an annual basis, a final decision of the capital requirement that the Issuer must comply with a consolidated level. However, there can be no assurance that the total capital requirements imposed on the Issuer from time to time may not be higher than the levels of capital available at such time. Also, there can be no assurance as to the result of any future SREP carried out by the Bank of Italy and whether this will impose any further own funds requirements on the Issuer.

On 13 July 2022, the Bank of Italy issued the 39th amendment to the "*Disposizioni di Vigilanza per le Banche*" (Circular No. 285 of 17 December 2013, the "**Bank of Italy Regulations**") introducing – *inter alia* – a clear differentiation between components of Pillar 2 Requirements estimated from an ordinary perspective and the 'Pillar 2 Guidance' determined from a stressed perspective which supervisory authorities may require banks to hold. The possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions ('Pillar 2 Requirement Leverage Ratio' and 'Pillar 2 Guidance Leverage Ratio') has also been envisaged.

On 26 April 2024, the Bank of Italy notified its decision to apply to all banks authorised to operate in Italy a capital buffer to meet systemic risks (the "**SyRB**") in order to prevent and mitigate systemic risks which would otherwise not be covered by other macroprudential tools. As of 30 June 2025, all banks authorised in Italy are required to fully comply with the 1.0 per cent systemic risk buffer on exposures to Italian residents, weighted for credit and counterparty credit risk. The SyRB applies at both the individual and consolidated level.

On 28 May 2024, the ECB announced to the market that its Supervisory Board had taken the decision to reform the SREP. In particular, the SREP will be adapted to increase efficiency and effectiveness, building on and going beyond changes that have been implemented in recent years, such as a new risk tolerance framework. Changes are being implemented gradually, having started in the second half of 2024 and due to be finalised for the 2026 SREP cycle.

Although the Supervisory Board's intention is to maintain full compliance with the revised SREP framework with the EBA guidelines, as at the date of this Base Prospectus, there is still legal uncertainty as to the impact the changes the ECB is about to introduce to the SREP methodology may have on the Issuer prudential capital structured in terms of capital prudential requirements and buffers the Issuer will be required to meet at an individual basis.

Following the results of the SREP performed by the Bank of Italy, the Issuer has been required to meet, on a consolidated basis, a minimum CET1 Ratio of 7.60 per cent., a minimum Tier 1 ratio of 9.30 per cent. and a minimum Total Capital Ratio of 11.50 per cent. to be applied for year 2025. As of December 2024, the Total Capital Ratio stood at 19.60%.

Furthermore, the minimum requirements for own fund and eligible liabilities (MREL) which the Issuer must comply with are: MREL-TREA equal to 17.76%; and MREL-LRE equal to 5.33%. With reference to the date from which the MREL requirement will be binding, the Bank of Italy has confirmed the transitional period until 1 January 2027. No additional requirements of subordination have been assigned to the Issuer.

The Issuer's failure to maintain acceptable capital ratios for the following years may result in administrative actions or sanctions against it, which in turn may have an adverse impact on the business, financial condition and results of operations of the Issuer.

The Issuer may be subject to the provisions of the EU Bank Recovery and Resolution Directive

The Issuer – as a bank – is subject to the Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the so-called Bank Recovery and Resolution Directive, "**BRRD**"), which is an EU Directive intended to enable a range of actions to be taken in relation to institutions considered to be at risk of failing (*i.e.*, sale of business, asset separation, bail-in and bridge institution). The taking of any action under the BRRD in relation to the Issuer could materially affect the value of or any repayments linked to the Notes.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the "**BRRD Decrees**"), both of which were published in the Italian Official Gazette on 16 November 2015.

Thereafter the BRRD has been subject to significant revisions by Directive 2019/879/EU ("**BRRD II**").

On 1 December 2021, Legislative Decree no. 193 of 8 November 2021 (the "**193 Decree**"), implementing the BRRD II into the Italian jurisdiction, entered into force, amending Legislative Decree No. 180/2015 and the Italian Consolidated Banking Act (as defined below), to align the Italian regulatory framework regulating MREL, and the criteria according to which it is determined, to the provisions set forth in BRRD II.

In particular, the amended version of Legislative Decree No. 180/2015 clearly envisages that MREL shall be determined by the Bank of Italy on the basis of the following criteria:

- (i) the need to ensure that the application of the resolution tools to the resolution entity is adequate to meet the resolution's objectives;
- (ii) the need to ensure that the resolution entity and its subsidiaries belonging to the same corporate group subject to resolution have sufficient own funds and eligible assets to ensure that, if the bail-in tool or write-down or conversion powers, respectively, were to be applied to them, losses could be absorbed and that it is possible to restore the total capital ratio and, as applicable, the leverage ratio to a level necessary to enable them to continue to comply with the conditions for authorisation, according to the regulatory framework currently in force, even if the resolution plan envisages the possibility for certain classes of eligible liabilities to be excluded from bail-in or to be transferred in full to a recipient under a partial transfer;

- (iii) the size, business model, funding model and risk profile of the entity; and
- (iv) the extent to which the failure of the entity would have an adverse effect on financial stability, due to the interconnectedness of the entity with other institutions or entities or with the rest of the financial system.

Risks relating to the applicable regulatory framework

The Issuer is subject to a complex and strict regulation, as well as to the supervisory activity performed by the relevant institutions (in particular, the European Central Bank, the Bank of Italy and CONSOB). Such regulation and supervisory activity is subject to continuous updates and practice developments. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices.

The Issuer, besides the supranational and national rules and the primary or regulatory rules of the financial and banking sector, is also subject to specific rules on anti-money laundering, usury and consumer protection. Although the Issuer undertakes to comply with the set of rules and regulations, any changes to the rules and/or changes in their interpretation and/or implementation by the competent authorities could give rise to new burdens and obligations for the Issuer, which may have an adverse impact on the business, financial condition and results of operations of the Issuer.

EU Regulation 2024/1623 (amending CRR, the so-called "**CRR III**") and EU Directive 2024/1619 (amending the CRD IV Directive, the so-called "**CRD VI**"), implementing the Basel III standards and part of the so-called "2021 Banking Reform Package" entered into force on 9 July 2024. The provisions set forth in the CRR III have applied since 1 January 2025, while Member States shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI, and shall apply those measures from 11 January 2026 (with some exceptions).

On 27 August 2025, the Bank of Italy issued the 50th amendment to the Bank of Italy Regulations, which came into force on 28 August 2025, implementing CRR III into the Italian regulatory framework.

On 19 June 2024, the Council announced that it had agreed a negotiating mandate on the review of the Crisis Management and Deposits Insurance ("**CMDI**") framework.

On 25 June 2025, the Council and the Parliament reached an agreement on the Commission proposal to review the CMDI package. The reform aims to enhance the ability of resolution authorities to manage the failure of small and medium-sized banks by broadening the scope of resolution to include these banks when it serves the public interest. This will enable more banks to undergo an orderly exit, such as a sale to another bank, rather than being liquidated, thereby minimising economic disruption in the event of bank failures. The reform will also strengthen depositor protection across the European Union. The co-legislators are expected to finalise the legal text at technical level before formally adopting the new framework.

As part of the CMDI, Directive (EU) 2024/1174 was adopted – published in the Official Journal of the European Union on 22 April 2024 – introducing certain amendments to the BRRD and the SRMR aimed at outlining the conditions for the treatment of internal MREL.

Once the CMDI framework is implemented in the European Union, these regulatory changes will impact the entire banking system and consequently could result in changes in the capital calculation and increase capital requirements.

Changes in the regulatory framework and prudential capital requirements – including the recent publication of the CRR III and the CRD VI – and in how such regulations are interpreted and/or transposed into the national legal/regulatory framework and/or applied by the supervisory authorities may have a material effect on the Issuer's business and operations. The manner in which the new framework of

banking laws and regulations will be applied to the operations of financial institutions is still evolving and still uncertain.

No assurance can be given that further implementing laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Issuer. For further details, see "*Certain regulatory aspects relating to the Issuer*" on page 132 of this Base Prospectus.

Operational risk

The operational risks that the Issuer faces include the possibility of inadequate or failed internal or external processes or systems, inadequate or failed outsourcing of processes, services or activities, human error, regulatory breaches, employee misconduct. The occurrence of any such event may result in financial loss and may harm the reputation of the Issuer. In addition: (i) inability to retain and attract key personnel could adversely affect its operations and results; (ii) the Issuer relies heavily on its operational processes, and communication and information systems in particular to conduct its business; and (iii) the business operations of the Issuer are also vulnerable to interruption from external factors, such as fire, flood, bomb threats, explosions or other forms of terrorist activity and natural and man-made disasters. Even with the back-up recovery systems and contingency plans that are in place, the Issuer cannot ensure that interruptions, failures or breaches of its communication and information systems as a result of external fraud will not occur or, if they do occur, that they will be adequately addressed. Finally, cybercrime risk is also a relevant and ongoing threat that may lead to an interruption of services to customers, loss of confidential information or erosion of trust and reputation. The above may also apply to third parties on which the Issuer depends.

In order to mitigate operational risks, a specific operational risk management macro-process (ORM framework) has been designed that consists of the following phases: (i) Identification: recognition, collection and classification of information relating to operational risks; (ii) Measurement: economic measurement of operational risks linked to the Bank's operations; (iii) Monitoring and reporting: collection and structured organisation of the results in order to monitor the evolution of operational risk exposure; (iv) Mitigation and control: risk transfer and improvement of business processes. To support the operational risk management model, the following processes have been formalised: (i) Loss Data Collection – structured process for gathering data on operational losses arising within the Desio Group; and (ii) Risk Self Assessment – structured process for the measurement of operational risks designed to have complete vision of risk events in terms of the potential impact and the worst case scenario. In addition, the Issuer, for the year 2024, has ring-fenced Euro 0.48 million referred to the provision for operational risks related to the situation of particular legal uncertainty that has re-emerged in the consumer credit sector.

However, it cannot be ruled out that certain unknown and unexpected events and/or events out of the Issuer's and Desio Group's control may occur (such as damage or malfunctioning caused by extraordinary events and including those mentioned above), which could negatively affect operation of the systems designed for operational risk control, thus generating negative effects on the business and the economic and/or financial situation and performance of the Desio Group, as well as on its reputation and, ultimately, its ability to pay interest and repay principal of the Notes in full.

The Desio Group has adopted since 31 March 2022, for the calculation of the capital requirement for the operational risks, the Traditional Standardised Approach (TSA). Since June 2025, the Issuer has been authorised to use the A-IRB internal credit rating measurement system.

For more information on processes and measurement of operational risk, see the half-year consolidated financial statements of the Issuer as at 30 June 2025, incorporated by reference to this Base Prospectus.

Legal Proceedings

The Desio Group is involved in various legal proceedings. Management believes that such proceedings have been properly analysed by the Issuer and its subsidiaries in order to decide whether any increase in provisions for litigation is necessary or appropriate in all the circumstances and, with respect to some specific issues, whether to refer to them in the notes to its financial statements in accordance with the International Financial Reporting Standards (“IFRS”). More in particular, provisions have been made by the Issuer in the consolidated financial statements as at 30 June 2025 for losses expected to arise from disputes, of which Euro 13,063 thousand for lawsuits (Euro 13,442 thousand at the end of 2024 and Euro 12,037 thousand at the end of 2023) and Euro 1,407 thousand relating to bankruptcy revocatory actions (formerly Euro 1,499 thousand at the end of 2024 and Euro 1,464 thousand at the end of 2023).

The outcome of the many legal proceedings which the Banco Desio Group is a party to is intrinsically difficult to forecast and, therefore, it cannot be ruled out that an unfavourable outcome of some of them might adversely affect the Desio Group’s financial condition and results of operations.

For other information on the pending legal proceedings which the Desio Group is a party to, see “*Description of the Issuer*” and the section entitled “*Information on risks and related hedging policies*” in the “Notes” from the unaudited consolidated balance sheet of the half-year consolidated financial statements of the Issuer as at 30 June 2025, which is incorporated by reference in this Base Prospectus.

The Issuer’s operations are dependent on the correct functioning of IT systems

The Issuer’s operations depend on, among other things, the correct and adequate operation of the Issuer’s IT systems, as well as their continuous maintenance and constant updating. The Issuer has always invested significant resources in upgrading their relevant IT systems and improving their defence and monitoring systems. However, possible risks remain with regard to the reliability of the system (disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have an adverse effect on the Issuer’s business, results of operations or financial condition.

Among the risks that the Issuer faces relating to the management of IT systems are the possible violations of their systems due to unauthorised access to the Issuer’s corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the internet. Attempted hacking, the use of ransomware and similar violations have become more frequent over the years throughout the world. Both the aggregation of new services for members and clients and the exposure of online services are becoming increasingly complex and gradually extending to more and more areas and products. In addition, the authors of cyber threats are using increasingly sophisticated methods and strategies for criminal purposes.

Cyber-attacks can therefore threaten the protection of information relating to the Issuer and its customers and can have negative effects on the integrity of the Issuer’s IT systems, as well as on the confidence of its customers and on the Issuer’s reputation, with a possible negative effect on the Issuer’s business, results of operations or financial condition.

In addition, the Issuer’s substantial investment in resources in software development creates the risk that when one or more of the above circumstances occurs, the Issuer’s may suffer financial losses or impacts on the Issuer’s operations if the software is destroyed or seriously damaged or may incur significant repair costs for violated IT systems. The Issuer may also be subject to regulatory sanctions. Finally, there is no indication that Banco Desio Group is less at risk than other Italian financial institutions. In the event of a successful cyber-attack, Banco Desio Group would be exposed to financial loss, reputational loss, the risk of not achieving its business objectives as well as major disruption to its operations.

Inflation, monetary policies, tariffs, and potential recession

The global economy is moving slowly as it awaits the outcome of trade negotiations between the United States and its main partners, particularly China, and is experiencing a transitional phase due to the general global economic slowdown, which could lead to various possible scenarios.

In the United States, GDP has remained broadly stable while government bond yields remain high, driven by the Trump administration's budget proposal and concerns about renewed inflationary pressures resulting from tariffs. The Federal Reserve is maintaining a wait-and-see approach, as economic activity and the labor market show only mild signs of slowing, while inflation remains above the 2% target. As of May 2025, inflation remained stable compared to April, showing no upward trend.

In this transitional phase, it is important to interpret current data with caution. Forecasts suggest that the U.S. economy will slow significantly this year and next, without entering a recession, showing a relatively stable inflation rate that could, however, be impacted by tariff policies, the depreciation of the dollar, and tensions in the Middle East. The scenario is thus one of near-stagflation: weak growth and inflation above target, with interest rates expected to remain close to current levels in the coming months.

In the euro area, inflation has been largely contained, although price increases in the services sector persist, albeit significantly declining. With the latest rate cut, which brought the deposit rate to 2%, the ECB expects inflation to approach 2% (largely dependent on lower energy costs and the appreciation of the euro) and real interest rates to hover near zero. Growth is expected to be slightly above 1% over the reference three-year period, pointing to a potentially ideal state of balance. Finally, forecasts include an increase in public spending for defense and infrastructure.

Tensions could arise from the interest rate divergence between the United States and the euro area. Ten-year yields at 4.5% in the U.S. and 2.5% on German bonds could strengthen the euro, further compressing growth and inflation in the eurozone. In an extreme scenario, global liquidity tensions could emerge, with rising yields on U.S. government bonds and a Federal Reserve leadership aligned with presidential preferences, potentially raising inflation expectations, depreciating the dollar, and increasing medium- to long-term interest rates.

All these factors could negatively affect the Issuer and the Group. Uncertainty regarding the pace of future interest rate cuts by major central banks could lead to significant volatility in global financial markets, and such volatility could persist for an extended period. Any potential recession or other periods of economic downturn could negatively impact the Issuer's and the Group's business, operating results, and financial condition, and have an adverse effect on securities markets in general.

Risks related to the impact of global macro-economic factors

The results of the Issuer and the Group are influenced by macroeconomic conditions, general trends in financial markets, the economic situation in Italy in particular, interest rate levels, exchange rates, changes in laws and regulations, shifts in central bank policies – particularly those of the Bank of Italy and the European Central Bank (ECB) – and competitive factors at regional, national and international levels. Each of these factors can affect the demand for the Issuer's and the Group's products and services, the credit quality of borrowers and counterparties, the Issuer's interest margin between lending and funding costs, and the value of the Issuer's and the Group's investment and trading portfolios.

In January 2025, the inauguration of Trump as President of the United States introduced significant uncertainty into the markets due to the tariff policy enacted, which opened negotiation tables primarily with the EU and China.

In addition, the ongoing conflict between Russia and Ukraine, along with instability in the Middle East and escalating hostilities between Israel and Palestine, are contributing to economic "chaos" in Europe, which could have negative effects on inflation and the stability of international financial markets. As a

result, economic prospects remain highly uncertain, depending in part on how the above-mentioned conflicts evolve and how long they persist, as well as on the outcome of the ongoing tariff-related negotiations initiated by the U.S. President

The performance of the Group and the Issuer is also influenced by factors such as investor confidence, financial market liquidity, and the availability and cost of funding in capital markets – all closely linked to the overall macroeconomic environment. The global economic recovery could be further undermined by any new restrictions that countries might implement, raising the risk of an additional slowdown in any expected recovery.

Adverse changes in these factors – particularly during times of financial crisis – could increase the Group's funding costs, with a material negative impact on the Group's and the Issuer's operations, financial condition, and operating results.

Governmental and central banks' actions to support liquidity may be insufficient or discontinued

In response to the current macro-economic situation, in the past years governmental and central authorities have intervened with respect to the level of capitalisation of banking institutions. In many countries, this has been achieved through support measures for the financial system and direct intervention by governments in the share capital of the banks in different forms. In order to technically permit such government support, financial institutions were required to pledge securities deemed appropriate by different central financial institutions as collateral.

The unavailability of liquidity through such measures or the decrease or discontinuation of such measures by governments and central authorities could result in increased difficulties for the Issuer in procuring liquidity in the market and/or result in higher costs for the procurement by the Issuer of such liquidity, thereby adversely affecting the Issuer's and Banco Desio Group's business, financial condition and results of operations.

The Issuer's financial performance is affected by "systemic risk"

In recent years, the global credit environment has been adversely affected by significant instances of default by financial institutions, and there can be no certainty that further such instances will not occur. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults for other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Issuer interacts on a daily basis and therefore could adversely affect the Issuer.

Catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the Issuer

Catastrophic events, terrorist attacks and similar events, as well as the responses thereto, may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which the Issuer operates and, more specifically, on the business, financial condition and results of operations of the Issuer in ways that cannot be predicted.

Risks related to the 2024–2026 Business Plan "Beyond 2026"

On 23 November 2023, the Board of Directors of the Issuer approved the 2024–2026 Business Plan denominated "Beyond 2026".

The 2024–2026 Business Plan contains objectives to be met, by 2026 (the "Projected Data") based on assumptions of both a general and a discretionary nature, linked to the impact of specific operational and organisational actions that the Issuer intends to take during the period of time covered by the 2024–2026 Business Plan.

The non-occurrence or partial occurrence of the assumed events or of the expected positive effects could lead to potentially significant deviations from the forecasts in the Projected Data or hinder meeting them, with a consequent material adverse effect on the business, financial condition and results of operations of the Issuer and/or the Desio Group.

Competition

In recent years, the Italian banking sector has experienced a general and relevant increase in profitability, led by a boost in net interest rate income (due to the rise in interest rates) and to low credit costs. As the macroeconomic scenario has now changed, the current challenge is to adapt the commercial strategy to an environment of declining rates and diminished profitability.

Furthermore, competition between banks remained strong.

In particular, the banking sector in Italy, as well as in Europe, is experiencing a consolidation phase featuring a high degree of competition due to the following factors: (i) the introduction of EU directives aimed at liberalising the European Union banking sector; (ii) the deregulation of the banking sector and the connected development of “shadow banking” throughout the European Union, and specifically in Italy, which has encouraged competition in the traditional banking sector with the effect of progressively reducing the spread between lending and borrowing rates; (iii) the behaviour of competitors; (iv) consumer demand; (v) the advance of services with a strong element of technological innovation, such as internet banking and mobile banking; (vi) the influx of new competitors; and (vii) the consolidation towards which is moving the banking sector, creating larger and stronger banks with which the Issuer must compete, and other factors not necessarily under the Issuer’s control.

All the above factors may adversely affect the Issuer financial condition and results of operations. In addition, downturns in the Italian economy could add to the competitive pressure through, for example, increased price pressure and lower business volumes for which to compete.

MATERIAL RISKS THAT ARE SPECIFIC TO THE NOTES AND WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES

The risks below have been classified under the following categories:

- *Risks related to Notes generally;*
- *Risks related to the structure of a particular issue of Notes;*
- *Risks related to the market generally.*

Risks related to the Notes generally

The Bank Recovery and Resolution Directive may affect Notes

As described in the sub-section of “*Description of the Issuer*” entitled “*Banking Resolution under the EU Bank Recovery and Resolution Directive (BRRD)*”, the Regulatory Authorities have, pursuant to the BRRD framework, the power to apply “resolution” tools if the Issuer is failing or likely to fail, as an alternative to *liquidazione coatta amministrativa* (compulsory liquidation proceedings). Specifically, these tools are: (1) the sale of business assets or shares of the Issuer; (2) the establishment of a bridge organisation; (3) the separation of the unimpaired assets of the Issuer from those which are deteriorated or impaired; and (4) a bail-in, through write-down/conversion into equity of regulatory capital instruments (including Subordinated Notes) as well as other liabilities of the Issuer (including Senior 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 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.

In particular, by its acquisition of a Note (whether on issuance or in the secondary market), each holder of the Notes acknowledges, accepts, agrees to be bound by and consents to the exercise of any Bail-in Power by a Regulatory 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 Regulatory Authority of such Bail-in Power. Each holder of the Notes acknowledges, accepts and agrees that its rights as a holder of the Notes are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any such power by any Regulatory Authority.

The exercise of any power under the BRRD or any suggestion of such exercise taking place could, therefore, have a material adverse effect on the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

For a description of the loss absorption requirement, see Conditions 4 (*Status of Senior Preferred Notes*), 5 (*Status of Senior Non-Preferred Notes*) and 6 (*Status of Subordinated Notes*).

Waiver of set-off

In each of Conditions 4 (*Status of Senior Preferred Notes*), 5 (*Status of Senior Non-Preferred Notes*) and 6 (*Status of Subordinated Notes*), each holder of a Senior Note or a Subordinated Note, as the case may be, will, unconditionally and irrevocably, waive 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 Senior Note or Subordinated Note, as applicable. As a result, Noteholders may not be able to set-off any payment due from the Issuer.

Notes have limited Events of Default and remedies

The Events of Default in respect of Notes, being events upon which the holders of the Notes may declare the Notes to be immediately due and repayable, are limited to circumstances in which the Issuer becomes subject to winding-up or an analogous event as set out in Condition 15 (*Events of Default*). Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Notes, including the payment of any interest, or in case of the exercise of the Bail-in Power by the Regulatory Authority, the holders of the Notes will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of 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. Furthermore, investors should consider that the terms and conditions of the Notes do not contain any negative pledge or similar provisions.

See also "*Notes issued as Green Bonds*" below.

Meetings of Noteholders

Provisions for calling meetings of Noteholders are contained in Annex 1 to the Terms and Conditions and summarised in Condition 18(a) (*Meetings of Noteholders*). 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 at those meetings to bind all Noteholders, including those who did not attend and vote at the relevant meeting or who voted against the relevant proposal. Modifications to the Notes that may be approved by a Noteholders'

meeting 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. Any such modification may have an adverse impact on Noteholders' rights and on the market value of the Notes.

No-gross up on withholding tax in certain circumstances

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.

The Notes, however, may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes. Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any national, regional or local tax laws of any country or territory.

Tax changes may affect the tax treatment of the Notes

Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023, as lastly amended by Law No. 120 of 8 August 2025 ("**Law 111**"), delegates power to the Italian government to enact, within thirty-six months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "**Tax Reform**").

According to Law 111, the Tax Reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. The information provided in this Base Prospectus may not reflect the future tax landscape accurately.

Investors should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realised under the Notes and could result in a lower return of their investment. Prospective investors should consult their own tax advisors regarding the tax consequences described above.

Potential Conflicts of Interest

The Issuer may act as Paying Agent and, if applicable, Calculation Agent or may appoint a Paying Agent and/or a Calculation Agent in relation to a specific Tranche of Notes. Any such Paying Agent or Calculation Agent will be an agent of the Issuer and not of the Noteholders. As a result, whether or not the Issuer acts as Paying Agent or Calculation Agent, potential conflicts of interest may exist between the Paying Agent and Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Risk relating to the governing law of the Notes

The Terms and Conditions are governed by Italian law and Condition 23 (*Governing Law and Jurisdiction*) provides that contractual and non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Italian law, pursuant to EU and Italian private international law provisions as applicable from time to time.

Should the Notes be transferred among Noteholders, the Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions and the laws applicable to the Notes' transfer and circulation for any prospective investors in the Notes and any disputes which may arise in relation to, *inter alia*, the transfer of ownership in the Notes.

Risk related to Notes issued in dematerialised form

Notes issued under the Programme will be issued 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 Joint Regulation (as defined in the Terms and Conditions of the Notes). In no circumstance would physical documents of title be issued in respect of the Notes issued in dematerialised form. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Euronext Securities Milan and the authorised financial intermediaries holding accounts on behalf of their customers with Euronext Securities Milan. As the Notes are held in dematerialised form with Euronext Securities Milan, investors will have to rely on the procedures of Euronext Securities Milan and of those authorised financial intermediaries for the purposes of any transfer of Notes, any payments due to Noteholders and any communications with the Issuer.

Risks related to the structure of a particular issue of Notes

Notes issued as Green Bonds

Such Notes may not be a suitable investment for all investors seeking exposure to environmental assets

The applicable Final Terms relating to any specific Series (or Tranche) of Notes may provide that it will be the Issuer's intention to apply an amount equal to the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental or "green" purposes ("**Green Eligible Projects**").

Prospective investors should have regard to the information in the section "*Use of Proceeds*" and 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 Notes together with any other investigation such investor deems necessary.

There is currently no firm market consensus as to what bonds may qualify as "Green Bonds", or as to what precise attributes are required for a particular project to be defined as "green" or another equivalent label, nor can any assurance be given that a clear definition or consensus will develop over time. The lack of market consensus is, to a certain degree, mitigated through voluntary measures, such as by complying with the relevant set of principles published by the International Capital Market Association ("**ICMA**"), notably its green bond principles (the "**Green Bond Principles**"), or by obtaining an external review. The Green Bond Principles aim to promote integrity of the green bond markets through transparency, disclosure and reporting by issuers. The Green Bond Principles provide high-level categories for eligible assets and give other guidance on the key components involved in launching a credible green bond. However, given a broad categorisation of project eligibility by the Green Bond Principles, diversity of current market views and the ongoing development in the understanding of environmental and social issues and their consequences, a degree of uncertainty may be inevitable with respect to what projects or activities qualify as "green" and, as result, which bonds qualify as green bonds.

In particular no assurance is given by the Issuer or the Dealer(s) that the use of such proceeds for any Green 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 which such investor or its investments are required to comply with, whether by its own by-laws, governing rules, investment portfolio mandates or any present or future applicable law or regulations, including in particular

Regulation (UE) 2020/852 on the establishment of a framework to facilitate sustainable development (the “**EU Taxonomy Regulation**”).

The EU Taxonomy Regulation tasks the European Commission with establishing the actual list of environmentally sustainable activities by defining technical screening criteria for each of the six environmental objectives through delegated acts. A first delegated act on sustainable activities for the first two objectives (i.e., climate change mitigation and climate change adaptation) was formally adopted on 4 June 2021 for scrutiny by the co-legislators, after a political agreement reached within the European Commission. On 9 December 2021, the Commission Delegated Regulation (EU) 2021/2139 concerning the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation was published in the Official Journal of the European Union. With respect to the remaining environmental objectives, a second delegated act setting out proposed technical screening criteria for economic activities that make a substantial contribution to the (non-climate) environmental objectives of the Taxonomy Regulation was adopted by the Commission on 27 June 2023. In addition, on 6 July 2021 the European Commission adopted the Commission Delegated Regulation (EU) 2021/2178 supplementing Article 8 of the EU Taxonomy Regulation which was published on 10 December 2021 in the Official Journal of the European Union, aimed at specifying the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. On 9 March 2022, the European Commission adopted a complementary climate delegated act including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU Taxonomy Regulation, published in the Official Journal on 15 July 2022 and is applicable since January 2023.

Furthermore, on 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the “**EU Green Bond Standard**”). On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Taxonomy Regulation; (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subjection to its supervision. The disclosure of the information related to banks’ trading book exposures and fees and commissions for other commercial services will apply from 1 January 2026. In this respect, on 28 February 2023 the European Parliament and the Council reached a political agreement on the Commission's proposal for a EU Green Bond Standard. In particular, issuers of a EU Green Bond Standard would need to ensure that at least 85% of the funds raised by the bond are allocated to economic activities that align with the Taxonomy Regulation. The proposal was approved by the European Parliament on 5 October 2023 and by the Council on 23 October 2023. Consequently, on 30 November 2023, Regulation (EU) 2023/2631 (the “**EU Green Bond Standard Regulation**”) was published in the Official Journal of the EU. The EU Green Bond Standard Regulation has applied since 21 December 2024 with a transition period for certain requirements until 21 June 2026.

Green Bonds issued under the Programme will not be compliant with the EU Green Bond Standard Regulation and are only intended to comply with the requirements and processes in the Issuer’s Green Bond Framework (as defined in the “*Use of Proceeds*” section of this Base Prospectus). It is not clear if the establishment of the “European Green Bond” or “EuGB” label and the optional disclosures regime for bonds issued as “*environmentally sustainable*” under the EU Green Bond Standard Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Green Bonds issued under this Programme. Non-compliance with the standards under the EU Green Bond Standard Regulation could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green Bonds issued under this Programme.

Furthermore, on 6 April 2022 the European Commission adopted the Regulatory Technical Standards (RTS) to Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation**”) which apply from 1 January 2023.

Furthermore, on 25 July 2022 Commission Delegated Regulation (EU) 2022/1288, supplementing the SFDR with regard to RTS specifying the details of the content and presentation of the information in relation to the principle of “do no significant harm”, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (“**SFDR RTS**”), was published in the Official Journal. The new RTS apply from 1 January 2023. On 31 October 2022 the European Commission adopted a Delegated Regulation and Annexes amending and correcting the standards laid down in the SFDR RTS to ensure investors receive information reflecting provisions set out in the Taxonomy Complementary Climate Delegated Act. The Delegated Regulation came into force on 20 February 2023.

These texts are still to be implemented and the final texts may vary from the current recommendations, which may have an impact on the Notes 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 will meet any or all investor expectations regarding such “green” or other equivalently-labelled performance objectives or that any adverse environmental 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. Any such consequences could have an adverse effect on the liquidity and value of and return on any such Notes.

The Issuer has published its Green Bond Framework relating to investment in Green Eligible Projects, as better detailed in the section “*Use of Proceeds*” below. However, the Green Bond Framework does not form part of, nor is it incorporated by reference, in this Base Prospectus and it may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) (including any Second Party Opinion, as defined below and in the section “*Use of Proceeds*”) which may or may not be made available in connection with the issue of any Notes and in particular with any Green Eligible Projects to fulfil any environmental and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. As further described under paragraph “*No assurance or representation as to the suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bond*” below, any such opinion or certification (including any Second Party Opinion) is not, nor should be deemed to be, a recommendation by the Issuer, the Dealer(s) or any other person to buy, sell or hold any such Notes. Any such opinion or certification (including any Second Party Opinion) is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification (including any Second Party Opinion) and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated “*green*” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealer(s) or any other person that such listing or admission satisfies, 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 impact of any Green Eligible Projects. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealer(s) or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Moreover, in light of the continuing development of legal, regulatory and market conventions in the green or sustainable finance, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the Green Bond Principles and/or the EU Sustainable Finance Taxonomy framework. Any such changes could have an adverse effect on the liquidity and value of and return on any such green bonds.

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of any Notes so specified for Green Eligible Projects in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Eligible Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally applied for the specified Green Eligible Projects. Nor can there be any assurance that such Green Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer or that the originally designated green project (or any project(s) resulting from any subsequent reallocation of some or all of the proceeds of the relevant Green Bonds) will not be disqualified as such. No such event or failure by the Issuer will constitute an Issuer Event of Default under the Notes (see "*No breach of contract or Event of Default*" below).

However, any such event or failure to apply the proceeds of any issue of Notes for any Green Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may:

- (i) have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Eligible Projects; and/or
- (ii) result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose; and/or
- (iii) limit Issuer's access to market relating to "green" or other equivalently-labelled instruments; and/or
- (iv) result in delisting of such Notes for any Green Eligible Projects from any segment or market dedicated to listing of "green" or other equivalently-labelled instruments.

No assurance or representation as to the suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bonds

In connection with the issue of Green Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant Green Eligible Project have been defined in accordance with the broad categorisation of eligibility for green projects set out in the Green Bond Framework and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain green projects (any such second-party opinion, including the Second Party Opinion referred to in the section "*Use of Proceeds*", a "**Second Party Opinion**").

A Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green Bonds and prospective investors must determine for themselves the relevance of any such opinion or certification (including any Second Party Opinion) and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. In addition, a Second Party Opinion does not constitute a recommendation to buy, sell or hold the relevant Green Bonds and is only current as of the date it is released. Finally, the criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn at any time.

Any withdrawal of the Second Party Opinion or any other opinion or certification may have a material adverse effect on the value of such Green Bonds in respect of which opinion or certification is given and/or may have adverse consequences for certain investors with portfolio mandates to invest in green assets to be used for a particular purpose. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

No breach of contract or Event of Default

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of Green Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the Green Eligible Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the amount of the proceeds of the relevant Green Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such Green Eligible Projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer (including any failure to comply with its reporting obligations in relation to Green Bonds), any actual or potential maturity mismatch between the green asset(s) towards which proceeds of the Notes may have been applied and the relevant Notes or if any of the risks and/or any of the circumstances set out above and in the whole section "*Notes issued as Green Bonds*", will not, with respect to any Notes (including for the avoidance of doubt, any Senior Notes or Subordinated Notes), (i) give rise to any claim of a Noteholder against the Issuer; (ii) constitute an Event of Default under the Notes or result in an acceleration of the Notes; (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes and/or give a right to a Noteholder to request early redemption; (iv) affect the qualification of such Notes as *strumenti di debito chirografario di secondo livello*, Tier II Capital or as Eligible Liabilities instruments (as applicable) or have an impact on any of the features of such Notes, including (without limitation, as applicable) features relating to ranking, permanence, loss absorption and/or flexibility of payments (as applicable); (v) have any impact on the status of the Notes as indicated in Conditions 4 (*Status of Senior Preferred Notes*), 5 (*Status of Senior Non-Preferred Notes*) or 6 (*Status of Subordinated Notes*) (as the case may be) or (vi) prevent the applicability of the Bail-in Power (or any other provision of the Applicable Banking Regulations).

For the avoidance of doubt, neither the proceeds of any Green Bonds nor any amount equal to such proceeds and the operation of any other features will be segregated by the Issuer from its capital and other assets and payments of principal and interest (as the case may be) on the relevant Green Bonds shall not depend on the performance of the relevant project nor have any preferred right against such assets.

Regardless of their "green" or other equivalent label, Green Bonds, as any other Notes, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for Own Funds and Eligible

Liabilities instruments (including the application of mandatory write-down or conversion to equity in the event a resolution procedure is initiated in respect of the Issuer and, with respect to Notes qualifying as Tier II Capital, even before the commencement of any such procedure if certain conditions are met), the Notes (or the proceeds thereof) will be available to absorb all losses (whether or not related to any "green" assets towards which proceeds of the relevant Notes may have been applied or, if relevant, reallocated) in accordance with their terms (if applicable) or the Applicable Banking Regulations and, as such, proceeds from Green Bonds qualifying as Own Funds or Eligible Liabilities should cover all losses in the statement of financial position of the Issuer, regardless of their "green" or such other equivalent label. The fact that Notes which qualify as Own Funds or eligible liabilities (which may include, for the avoidance of doubt, Senior Notes and Subordinated Notes) are also Green Bonds shall not impact (i) any of the features of such Notes, including (without limitation, as applicable) features relating to ranking, permanence, loss absorption and/or flexibility of payments or enhance the performance of the relevant Notes in any way, (ii) the availability of the Notes (or the amounts equal to the proceeds thereof) to absorb all losses (whether or not related to any green assets towards which an amount equal to the proceeds of the relevant Notes may have been applied or, if relevant, reallocated) in accordance with their terms (if applicable) or the applicable regulations, (iii) the relevant CRR eligibility criteria applicable to the qualification of the relevant Notes as Own Funds or eligible liabilities (as appropriate) or applicability of the relevant BRRD requirements for Own Funds and eligible liabilities or (iv) the risks related to the qualification of such Notes as Own Funds or eligible liabilities (as appropriate). The fact that such Notes are designated as Green Bonds does not provide their holders with any priority compared to other Notes and such Notes will be subject to the same risks relating to their level of subordination and the enforcement rights of the holders of the Notes will be equally extremely limited.

Green Bonds, as any other bonds, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for Own Funds and Eligible Liabilities instruments and, as such, proceeds from Green Bonds qualifying as Own Funds or Eligible Liabilities should cover all losses in the statement of financial position of the Issuer regardless of their "green" or such other equivalent label.

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

The Terms and Conditions are based on Italian law and administrative practice in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Italian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

Redemption for tax or regulatory reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In addition, if in the case of a particular Series of Subordinated Notes, the relevant Final

Terms so specify, the Issuer may, at its option, redeem those Notes for regulatory reasons, as described in further detail in "*Regulatory classification of the Subordinated Notes*" below. In both of the above circumstances an investor may not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as that of the relevant Notes.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

The Euro Interbank Offered Rate ("EURIBOR") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently compared to the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

Regulation (EU) No. 2016/1011 (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. The EU Benchmark Regulation could have a material impact on any Notes linked to an index based on a benchmark, including in any of the following circumstances: (i) an index which is a benchmark may no longer be used as such, if its administrator does not obtain the appropriate EU authorisations/registrations and the securities have to be de-listed, adjusted, redeemed prior to maturity or otherwise impacted, or is based in a non-EU jurisdiction, as applicable, which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular benchmark and the applicable terms of the Notes, the Notes could be adjusted or otherwise impacted; (ii) if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes. More broadly, any of the international, national or other proposals for reform, 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 the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Workstreams are also underway in Europe to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 11 May 2021 the euro risk-free rate working group published its recommendation on EURIBOR fallback trigger events and fallback rates. The recommended fallback rates are based on the new Euro short-term rate (€STR).

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently compared to the past and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a 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 any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide that, if the Issuer determines that a Benchmark Event (as defined in the Conditions) has occurred (including, but not limited to, a Reference Rate (as defined in the Conditions) ceasing to be provided or upon a material change of a Reference Rate if applicable),

such an event may be deemed to have occurred prior to the issue date of a Series of Notes and the Issuer shall use reasonable endeavours to determine a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 10(i) (*Benchmark replacement*) of the Terms and Conditions of the Notes) and, if applicable, an Adjustment Spread. Please refer to Condition 2 (*Interpretation*) of the Terms and Conditions of the Notes for the full definition of a Benchmark Event. Provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the fallbacks described in the Terms and Conditions of the Notes shall apply. In certain circumstances, including but not limited to where the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page, where (if so specified in the relevant Final Terms) amendments to the terms of the Notes in accordance with Condition 10(i) (*Benchmark replacement*) of the Terms and Conditions of the Notes would cause the occurrence of a Regulatory Event or a MREL Disqualification Event (as applicable) or (in the case of Senior Preferred Notes or Senior Non-Preferred Notes only) would result in the Regulatory Authority treating an Interest Payment Date as the effective maturity date of the Notes, rather than the relevant Maturity Date, the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest of the last preceding Interest Period being used. This may result in effective application of a fixed rate of interest for Notes initially designated to be Floating Rate Notes. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the relevant fallback provisions may not operate as intended at the relevant time.

The use of a Successor Rate or an Alternative Benchmark 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 relevant benchmark remained available in its current form. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Notes may not do so and may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form.

Fixed Rate Notes

A holder of Fixed Rate Notes is exposed to the risk that the price of those Notes falls as a result of changes in the current interest rate on the capital markets (the "**Market Interest Rate**"). While the nominal interest rate of Fixed Rate Notes is fixed during the life of such Notes or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such Notes moves in the opposite direction. If the Market Interest Rate increases, the price of such Notes typically falls, until the yield of such Notes is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of Fixed Rate Notes typically increases, until its yield is approximately equal to the Market Interest Rate.

Floating Rate Notes

Fluctuations in interest rates

Notes with variable interest are subject to fluctuations in interest rate levels and can be volatile investments. In particular:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) the CMS Rate may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (iv) if they are structured to include caps or floors, or a combination of both or other similar related features, the effect of changes in the CMS Rate on interest payable is likely to be magnified; and

- (v) the timing of changes in the CMS Rate may affect the actual yield to investors, even if the average level is consistent with their expectations.

Fallback and benchmark replacement

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if a published benchmark, such as EURIBOR, and any page on which such benchmark may be published (or any successor service) becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the relevant Final Terms) are no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate, with or without an adjustment spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark. An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of a benchmark. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a successor rate or alternative rate may nonetheless be used to determine the rate of interest. The use of a successor rate or alternative rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower rate of interest) from how they would if the benchmark were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, the Issuer is unable to determine a successor rate or an alternative rate, or, if specified in the relevant Final Terms, if this provision would cause the occurrence of a Regulatory Event, the ultimate fallback for the purposes of calculation of the rate of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

Fixed to Floating Rate Notes may bear interest at a rate which, either at the Issuer's election or otherwise, is converted from a fixed rate to a floating rate or, in the case of Floating to Fixed Rate Notes, from a floating rate to a fixed rate. The switching of the interest rate is likely to affect the market value of those Notes, since it may result in a lower rate, especially where switching occurs at the Issuer's option. If switching from a fixed rate to a floating rate occurs, the spread on the Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If switching from a floating rate to a fixed rate occurs, the fixed rate may be lower than then prevailing rates of the Issuer's other Fixed Rate Notes.

The interest rate on Reset Notes

If the Notes are issued as Reset Notes, then such Reset Notes will initially bear interest at the Initial Rate of Interest from and including the Interest Commencement Date up to but excluding the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate of Interest**"). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risk Relating to Senior Preferred Notes

Senior Preferred Notes could be subject to redemption following a MREL Disqualification Event

The Senior Preferred Notes are intended to be Eligible Liabilities available to meet the MREL Requirements. The MREL Requirements do not currently require (or customarily provide for) a confirmation prior to the issuance of Senior Preferred Notes that such Notes will qualify as Eligible Liabilities on issue. Although it is the Issuer's expectation that the Senior Preferred Notes may qualify as Eligible Liabilities for the purposes of meeting the Issuer's MREL Requirements, the Issuer may be subject to limits as to the quantum of Senior Preferred Notes which may be included in its MREL Eligible Liabilities and, in any case, there can be no representation that the Senior Preferred Notes are or will remain MREL Eligible Liabilities during the life of such Series of Senior Preferred Notes.

If Senior Preferred Note are not eligible for the purposes of the MREL Requirements (or if they initially are compliant with the MREL Requirements and subsequently become ineligible due to a change in the relevant final regulations implementing the MREL Requirements), then a MREL Disqualification Event will occur.

If so specified in the Final Terms, if at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of Senior Preferred Notes, the Issuer may redeem all, but not some only, the Notes of such Series at the at the price set out in the applicable Final Terms together (if applicable) with interest accrued to (but excluding) the date of redemption. Senior Preferred Notes may only be redeemed by the Issuer subject to compliance by the Issuer with any conditions or restrictions to such redemption or repurchase prescribed by the applicable laws and regulations at the relevant time. See "*Early redemption and purchase of the Senior Preferred Notes may be restricted*", below.

A MREL Disqualification Event shall be deemed to have occurred if, by reason of the introduction of, or a change in, the MREL Requirements, which was not reasonably foreseeable by the Issuer at the Issue Date of the Senior Preferred Notes, all or part of the aggregate outstanding principal amount of such Series of Senior Preferred Notes are or will be excluded fully or partially from the liabilities that are eligible to meet the MREL Requirements.

If the Senior Preferred Notes are to be so redeemed, 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 investment in the Senior Preferred Notes. In addition, the occurrence of a MREL Disqualification Event could result in a decrease in the market price of the Notes.

Early redemption and purchase of the Senior Preferred Notes may be restricted

Any early redemption or purchase of Senior Preferred Notes is subject to compliance by the Issuer with any conditions or restrictions to such redemption or repurchase prescribed by the applicable laws and regulations at the relevant time, including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Preferred Notes at such time as liabilities eligible to meet the MREL Requirements.

In addition, pursuant to the EU Banking Reform, as further implemented by the Commission Delegated Regulation no. (EU) 241/2014, as subsequently amended, (the "**Delegated Regulation**") the early redemption or purchase of Senior Preferred Notes is subject to the prior approval of the Regulatory Authority.

The EU Banking Reform states that the Regulatory Authority would approve an early redemption or purchase of the Senior Preferred Notes subject to and in accordance with Article 78a of the CRR in the event either of the following conditions is met:

- (i) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Senior Preferred Notes with Own Funds Instruments or Eligible Liabilities Instruments of equal or higher quality at terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that its Own Funds and Eligible Liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and Eligible Liabilities laid down in the Applicable Banking Regulations by a margin that the Regulatory Authority considers necessary; or
- (iii) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that the partial or full replacement of the Eligible Liabilities with Own Funds Instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Applicable Banking Regulations for continuing authorisation,

subject in any event to any different conditions or requirements as may be provided from time to time under the Applicable Banking Regulations.

For the avoidance of doubt, any refusal of the Regulatory Authority to grant its permission in accordance with Article 78a of the CRR shall not constitute a default of the Issuer for any purposes.

Senior Preferred Notes may be subject to modification without Noteholder consent

If (i) at any time a MREL Disqualification Event occurs or, if Variation for an Alignment Event is indicated as applicable in the relevant Final Terms, an Alignment Event and is continuing in relation to any Senior Preferred Notes and/or (ii) in order to ensure the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Power*) with respect to Senior Preferred Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving consent from the Regulatory Authority (without any requirement for the consent or approval of the holders of the Senior Preferred Notes of that Series), at any time vary the terms of such Senior Preferred Notes, so that they remain or, as applicable, become, Qualifying Notes (as defined below), *provided that* such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Notes are, in relation to Senior Preferred Notes, securities issued by the Issuer that have terms not materially less favourable to the Noteholders, as reasonably determined by the Issuer, than the terms of the relevant Senior Preferred Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. However, in respect of the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Power*) with respect to Senior Preferred Notes, the Qualifying Notes may have terms materially less favourable to a holder of the Senior Preferred

Notes. Additionally, there may be material tax consequences for holders of Senior Preferred Notes as a result of such modification, and holders should consult their own tax advisors regarding such potential consequences.

Risks Relating to Senior Non-Preferred Notes

Italian law applicable to the Senior Non-Preferred Notes was recently enacted

On 1 January 2018, the 2018 Budget Law came into force introducing certain amendments to the Legislative Decree No. 385 of 1 September 1993 (the “**Consolidated Banking Law**”), including the possibility for banks and companies belonging to banking groups to issue senior non-preferred securities (the so-called “*strumenti di debito chirografario di secondo livello*”).

In particular, the 2018 Budget Law set forth certain requirements for notes to qualify as senior non-preferred securities:

- (i) the original maturity period is at least equal to twelve months;
- (ii) are not derivative securities or linked to derivative securities, as defined under Article 1, section 2-*ter*, of the Financial Services Act, nor include any feature of such derivative securities;
- (iii) the minimum denomination is at least €150,000 (or such other denomination provided by applicable law from time to time); and
- (iv) the prospectus and the agreements regulating the issuance of senior non-preferred securities expressly provide that payment of interests and reimbursement of principal due in respect thereof are subject to the provisions set forth in of Article 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law.

According to Article 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law, in case an issuer of senior non-preferred securities is subject to compulsory liquidation (*liquidazione coatta amministrativa*), the relevant payment obligations in respect thereof will rank in right of payment (A) junior to any unsecured and unsubordinated obligations (including depositors) which rank, or are expressed to rank by their terms and/or by provision of law, senior to the senior non-preferred securities, including claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR, (B) at least *pari passu* with all other present and future unsubordinated and non-preferred obligations which do not rank or are not expressed by their terms to rank junior or senior to such senior non-preferred securities and (C) in priority to any subordinated instruments and to any present or future claims ranking junior to such senior non-preferred securities and the claims of the shareholders.

Furthermore, Article 12-*bis* of the Consolidated Banking Law also provides that:

- (i) the provisions set forth in Article 91, paragraph 1-*bis*, letter c-*bis* of the Consolidated Banking Law shall apply to such senior non-preferred securities only to the extent that the requirements described in paragraphs (i), (ii) and (iv) above have been complied with; any contractual provision which does not comply with any of the above requirements is invalid but such invalidity does not imply the invalidity of the entire agreement;
- (ii) the senior non-preferred securities, once issued, may not be amended in a manner that the requirements described in paragraphs (i), (ii) and (iv) above are not complied with and that any different contractual provision is null and void; and
- (iii) the Bank of Italy may enact further regulation providing for additional requirements in respect of the issuance and the characteristics of senior non-preferred securities.

Any prospective investor in the Senior Non-Preferred Notes should be aware that the provisions of Articles 12-*bis* and 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law was recently enacted and that, as at the date of this Base Prospectus, no interpretation of the application of such provisions has been issued by any Italian court or governmental or regulatory authority and no regulation has been issued by the Bank of Italy in respect thereof. Consequently, it is possible that any regulation or official interpretation relating to the above will be issued in the future by the Bank of Italy or any different authority, the impact of which cannot be predicted by the Issuer as at the date of this Base Prospectus.

Senior Non-Preferred Notes are senior non-preferred obligations and are junior to certain obligations

In order to be eligible to meet the requirements and conditions of Articles 12-*bis* and 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority and also qualify as Eligible Liabilities available to meet the MREL Requirements (as defined in the Conditions), Senior Non-Preferred Notes will rank junior to Senior Preferred Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms, senior to the Senior Non-Preferred Notes. As a result, the default risk on the Senior Non-Preferred Notes will be higher than the risk associated with preferred senior debt (such as Senior Preferred Notes) and other senior liabilities (such as wholesale deposits).

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Senior Preferred Notes which are not issued on a senior non-preferred basis, there is a greater risk that an investor in Senior Non-Preferred Notes will lose all or some of its investment should the Issuer become insolvent.

Senior Non-Preferred Notes could be subject to a MREL Disqualification Event redemption

The intention of the Issuer is for Senior Non-Preferred Notes to qualify on issue as "*strumenti di debito chirografario di secondo livello*" as defined under, and for the purposes of, Articles 12-*bis* and 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority and also qualify as eligible liabilities available to meet the MREL Requirements (as defined in the Conditions). Current regulatory practice by the Bank of Italy (acting as lead regulator) does not require (or customarily provide) a confirmation prior to the issuance of the Senior Non-Preferred Notes that the Senior Non-Preferred Notes will comply with such provisions.

Although it is the Issuer's expectation that the Senior Non-Preferred Notes qualify as "*strumenti di debito chirografario di secondo livello*" as defined under, and for the purposes of, Articles 12-*bis* and 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority and also qualify as Eligible Liabilities available to meet the MREL Requirements (as defined in the Conditions) there can be no representation that this is or will remain the case during the life of the Senior Non-Preferred Notes.

If so specified in the Final Terms, if at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of Senior Non-Preferred Notes, the Issuer may redeem all, but not part, of the Notes of such Series at the price set out in the applicable Final Terms together (if applicable) with interest accrued to (but excluding) the date of redemption. Senior Non-Preferred Notes may only be redeemed by the Issuer subject to the conditions or restrictions to such redemption or repurchase prescribed by the applicable laws and regulations at the relevant time. See "*Early redemption and purchase of the Senior Non-Preferred Notes may be restricted*", below.

A MREL Disqualification Event shall be deemed to have occurred if, by reason of the introduction of, or a change in, the MREL Requirements, which was not reasonably foreseeable by the Issuer at the Issue Date of the Senior Non-Preferred Notes, all or part of the aggregate outstanding principal amount of

such Series of Senior Non-Preferred Notes are or will be excluded fully or partially from the liabilities that are eligible to meet the MREL Requirements.

If the Senior Non-Preferred Notes are to be so redeemed, 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 investment in the Senior Non-Preferred Notes. In addition, the occurrence of a change in the regulatory classification could result in a decrease in the market price of the Senior Non-Preferred Notes.

Early redemption and purchase of the Senior Non-Preferred Notes may be restricted

Any early redemption or purchase of Senior Non-Preferred Notes is subject to compliance by the Issuer with any conditions or restrictions to such redemption or repurchase prescribed by the Applicable Banking Regulations as in force at the relevant time, including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Non-Preferred Notes at such time as liabilities eligible to meet the MREL Requirements.

In addition, pursuant to the EU Banking Reform, as further implemented by the Delegated Regulation, the early redemption or purchase of Senior Non-Preferred Notes is subject to the prior approval of the Regulatory Authority.

The EU Banking Reform states that the Regulatory Authority would approve an early redemption of the Senior Non-Preferred Notes subject to and in accordance with Article 78a of the CRR in the event either of the following conditions is met:

- (i) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Senior Non-Preferred Notes with Own Funds Instruments or Eligible Liabilities Instruments of equal or higher quality at terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that its Own Funds and Eligible Liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and Eligible Liabilities laid down in the Applicable Banking Regulations by a margin that the Regulatory Authority considers necessary; or
- (iii) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that the partial or full replacement of the Eligible Liabilities with Own Funds Instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Applicable Banking Regulations for continuing authorisation,

subject in any event to any different conditions or requirements as may be provided from time to time under the Applicable Banking Regulations.

For the avoidance of doubt, any refusal of the Regulatory Authority to grant its permission in accordance with Article 78a of the CRR shall not constitute a default of the Issuer for any purposes.

Senior Non-Preferred Notes may be subject to modification without Noteholder consent

If (i) at any time a MREL Disqualification Event occurs or, if Variation for an Alignment Event is indicated as applicable in the relevant Final Terms, an Alignment Event and is continuing in relation to any Series of Senior Non-Preferred Notes, and/or (ii) in order to ensure the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Regulatory Authority, if so required, (without any requirement for the consent or approval of the Holders of the Senior Non-Preferred Notes of that Series), modify the terms of all (but not only some) of such Senior Non-Preferred

Notes so that they remain or, as applicable, become, Qualifying Notes, *provided that* such variation does not of itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Notes are, in the case of Senior Non-Preferred Notes, securities issued by the Issuer have terms not materially less favourable to the Noteholders (as certified by the Issuer acting reasonably following consultation with an investment bank or financial adviser of international standing) than the existing terms of the Senior Non-Preferred Notes. However, in respect of the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*) the Qualifying Notes may have terms materially less favourable to a holder of the existing Senior Non-Preferred Notes. No assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

Risk Related to Subordinated Notes

Ranking of Subordinated Notes

If the Issuer is declared insolvent and a winding up is initiated or it becomes subject to *Liquidazione Coatta Amministrativa*, as defined in the Consolidated Banking Act, it will be required to pay the holders of senior debt (including the holders of the Senior Notes) and meet its obligations to all its other creditors ranking senior to the holders of the Subordinated Notes (including unsecured creditors) in full before it can make any payments on the Subordinated Notes.

If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Subordinated Notes and/or payments may be delayed with respect to payments made to holders of senior debt and/or other creditors. Furthermore, repayment of principal on the Subordinated Notes, whether at the Maturity Date or otherwise, is subject to the approval of the Regulatory Authority in accordance with the Applicable Banking Regulations.

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority to the claims of unsubordinated, unsecured creditors (including depositors) of the Issuer and any other subordinated obligations which rank or are expressed to rank senior to the Subordinated Notes. As a result, although Subordinated Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of its investment should the Issuer become insolvent. In addition, the market price of Subordinated Notes may be more volatile than the market prices of unsubordinated debt securities and may be more sensitive generally to adverse changes in the financial condition of the Issuer. For a full description of the provisions relating to Subordinated Notes, see Condition 6 (*Status of Subordinated Notes*).

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, 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 (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

As a result, Subordinated 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 (or the general bail-in tool) may be applied to Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, Subordinated 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 (or the general bail-in tool) is applied to the Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Subordinated Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

Italian Legislative Decree No. 193 of 8 November 2021 implementing Directive 879/2019/EU (the "BRRD II") in Italy and published on 30 November 2021 in the Gazzetta Ufficiale has transposed in the Italian legislation Article 48(7) of BRRD II under Article 91, paragraph 1-*bis*, letter c-*ter*) of the Consolidated Banking Law. Such provisions state that (i) if an instrument is only partly recognised as an own funds item, the whole instrument shall be treated in insolvency as a claim resulting from an own funds item and shall rank lower than any claim that does not result from an own funds item and (ii) if an instrument is fully disqualified as own funds item, it would cease to be treated as a claim resulting from an own funds item in insolvency and, consequently, would improve their ranking with respect to any claim that results from an own funds item (such as the Subordinated Notes).

In light of this new provision, if the Subordinated Notes were to be disqualified in full as own funds items in the future: (a) their ranking would improve vis-à-vis the rest of the Subordinated Notes; and (b) in the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay the holders of the Notes and any other subordinated creditors of the Issuer, whose claims arise from liabilities that are no longer fully recognised as an Own Funds Instrument, in full before it can make any payments on any other Subordinated Notes which are still recognised (at least in part) as Own Funds Instruments.

Regulatory classification of the Subordinated Notes

If any Subordinated Notes are issued under the Programme, the Issuer's intention is that they should qualify on issue as Tier II Capital, for so long as this is permitted under Bank of Italy regulations. Current regulatory practice by the Bank of Italy does not require (or customarily provide for) a confirmation prior to the issuance of Subordinated Notes that the Notes will be treated as such. There can be no assurance that any such Subordinated Notes will continue to qualify as Tier II Capital during the life of the Notes. If there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion, in whole or, to the extent permitted by the Applicable Banking Regulations, in part, from Tier II Capital of the Issuer, the Issuer will (if so specified in the applicable Final Terms) have the right to redeem the Notes in accordance with Condition 12(c) (*Redemption for regulatory reasons*), subject to the prior approval of the Regulatory Authority. See also "*Redemption for tax or regulatory reasons*" above.

If the Subordinated Notes are to be so redeemed, 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 investment in the Subordinated Notes. In addition, the occurrence of a change in the regulatory classification could result in a decrease in the market price of the Notes. See also "*Notes subject to optional redemption by the Issuer*" above.

Subordinated Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer

Investors should be aware that, in addition to the general bail-in tool, the BRRD contemplates that Subordinated Notes may be subject to a write-down or conversion into common shares at the point of non-viability. The BRRD is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the BRRD or the taking of any action under it could materially affect the value of any Subordinated Notes. Additionally, there may be material tax consequences for holders of Subordinated Notes as a result of such write-down or conversion, and holders should consult their own tax advisors regarding such potential consequences.

Early redemption and repurchase of the Subordinated Notes may be restricted

The rules under the CRR prescribe certain conditions for the granting of permission by the Regulatory Authority to a request by the Issuer to redeem or repurchase the Subordinated Notes. In this respect, the CRR provides that the Regulatory Authority shall grant permission to a redemption or repurchase of the Subordinated Notes subject to and in accordance with Article 78 of the CRR provided that either of the following conditions is met, as applicable to the Notes:

- (i) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Notes with Own Funds Instruments of equal or higher quality at terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that its Own Funds would, following such call, redemption, repayment or repurchase, exceed the capital requirements laid down in the Applicable Banking Regulations by a margin that the Regulatory Authority considers necessary.

In addition, the rules under the CRR provide that the Regulatory Authority may only permit the Issuer to redeem the Subordinated Notes before five years after the Issue Date of the Notes if and to the extent required under Article 78(4) of the CRR or the related implementing regulations as amended from time to time, policies and guidelines:

- (i) the conditions listed in paragraphs (i) or (ii) above are met; and
- (ii) in the case of redemption pursuant to Condition 12(b) (*Redemption for tax reasons*) of the Terms and Conditions of the Notes, the Issuer has demonstrated to the satisfaction of the Regulatory Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as of the Issue Date; or
- (iii) in case of redemption pursuant to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*) of the Terms and Conditions of the Notes, the Issuer has demonstrated to the satisfaction of the Regulatory Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable as of the Issue Date; or
- (iv) on or before the relevant call, redemption, repayment or repurchase, the Issuer replaces the Notes with Own Funds Instruments of equal or higher quality at terms that are sustainable for its income capacity and the Regulatory Authority has 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
- (v) the Subordinated Notes are repurchased for market making purposes,

subject in any event to any different conditions or requirements as may be provided from time to time under the Applicable Banking Regulations.

Subordinated Notes may be subject to modification without Noteholder consent

If Variation for an Alignment Event is indicated as applicable in the relevant Final Terms and an Alignment Event occurs, in order to ensure the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*), then the Issuer may, subject to giving any notice required to, and receiving any consent required from, the Regulatory Authority, if so required, (without any requirement for the consent or approval of the Holders of the Subordinated Notes of that Series) modify the terms of all (but not only some) of such Subordinated Notes so that they become or remain Qualifying Notes, *provided that* such variation does not itself give rise to any right of the Issuer to redeem the varied securities. The Regulatory Authority has discretion as to whether approving or not any variation of the Subordinated Notes. Any such variation which is considered by the Regulatory Authority to be material shall be treated by it as the issuance of a new instrument. Hence, the Subordinated Notes so modified must be eligible as Tier II Capital in accordance with the prevailing Applicable Banking Regulations which may include a requirement (save in certain prescribed circumstances) that the Subordinated Notes may not be redeemed or repurchased prior to five years after the effective date of such variation.

Qualifying Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*), have terms not materially less favourable to the Noteholders (as certified by the Issuer acting reasonably following consultation with an investment bank or financial adviser of international standing) than the existing terms of the Subordinated Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

Risks related to the market generally

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. In addition, Notes issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Notes may be adversely affected. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction

over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. ESMA maintains a list of credit rating agencies registered and certified in accordance with the EU CRA Regulation on the following page from its website:

<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>.

Transfers of Notes may be restricted

The ability to transfer Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. The Notes have not been, and will not be, registered under the Securities Act or any state securities laws in the U.S. or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States to or for the account or benefit of a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of each Noteholder to ensure that offers and sales of Notes comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see "*Subscription and Sale*".

Delisting of the Notes

Application has been made for Notes issued under the Programme to be listed on the regulated market of Euronext Dublin and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a "listing"), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Central Bank of Ireland, are incorporated by reference in, and form part of, this Base Prospectus:

- (i) the unaudited consolidated interim financial statements of the Issuer as of and for the six months ended 30 June 2025, together with the accompanying notes and independent auditors' report, available on the following website:

https://www.bancodesio.it/sites/default/files/docs/Consolidated%20Half-Year%20Financial%20Report%20at%2030%20June%202025_1.pdf;

- (ii) the audited consolidated and non-consolidated annual financial statements of the Issuer, together with the consolidated non-financial report, of the Issuer as of and for the year ended 31 December 2024, together with the accompanying notes and independent auditors' reports, available on the following website:

<https://www.bancodesio.it/sites/default/files/docs/Annual%20Financial%20Report%20at%2031%20December%202024.pdf>;

- (iii) the audited consolidated and non-consolidated annual financial statements of the Issuer as of and for the year ended 31 December 2023, together with the accompanying notes and independent auditors' reports, available on the following website:

https://www.bancodesio.it/sites/default/files/docs/Annual_Financial_Report_at_31_December_2023.pdf.

In addition, the following information will be incorporated in, and form part of, this Base Prospectus as and when published on the Issuer's website (<https://www.bancodesio.it/en/content/yearly-and-interim-reports>), as set out in further detail in "Cross Reference List" below

- (i) the audited annual consolidated and non-consolidated financial statements of the Issuer as of and for the year ending 31 December 2025, together with the accompanying notes and independent auditors' reports;
- (ii) the unaudited consolidated interim financial statements of the Issuer as of and for the six months ended 30 June 2026, together with the accompanying notes and independent auditors' report; and
- (iii) the unaudited consolidated interim financial information of the Issuer as of and for the three months ended 30 September 2025 and 31 March 2026.

Copies of documents incorporated by reference in this Base Prospectus can also be obtained from the registered office of the Issuer.

Any statement contained in this Base Prospectus or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Cross Reference List

The following table shows, *inter alia*, the information required under Annex VII of the Prospectus Regulation that can be found in the above-mentioned financial statements incorporated by reference into this Base Prospectus.

Issuer's consolidated Interim Financial Statements as 30 June 2025

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In relation to information to be incorporated in, and form part of, this Base Prospectus as and when published on the Issuer's website:

- (a) the information set out in the following sections of the audited consolidated and non-consolidated annual financial statements as at and for the year ending 31 December 2025, published by the Issuer after the date of this Base Prospectus:

Indirect funding

Consolidated Balance Sheet

Consolidated Income Statement

Statement of consolidated comprehensive Income

Statement of Changes in Shareholders' Equity

Consolidated Statement of Cash Flows

Consolidated explanatory notes

Balance sheet

Income Statement

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Explanatory Notes

Auditors' Reports

- (b) the information set out in the following sections of the unaudited consolidated interim financial statements of the Issuer as at and for the six months ending 30 June 2026, published by the Issuer after the date of this Base Prospectus:

Consolidated Balance Sheet

Consolidated Income Statement

Consolidated Statement of comprehensive income

Statement of Changes in Consolidated Equity

Consolidated Cash Flow Statement

Balance Sheet

Income Statement

Statement of comprehensive income

Statement of Changes in Equity

Cash Flow Statement

Explanatory Notes

Auditors' Reports

- (c) the information set out in the following sections of the unaudited consolidated interim financial information of the Issuer as at and for the three months ending 30 September 2025 and 31 March 2026, published by the Issuer after the date of this Base Prospectus:

Results of the period

Context of reference

Consolidated Balance Sheet

Consolidated Income Statement

Consolidated Statement of comprehensive income

Statement of Changes in Consolidated Equity

Consolidated Cash Flow Statement

Any information contained in or incorporated by reference in any of the documents specified above which is not listed in the cross-reference tables above shall not form part of this Base Prospectus and is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Other than the information which is incorporated by reference in this Base Prospectus as set out above, the information on the websites to which this Base Prospectus makes reference does not form part of this Base Prospectus. Other than the information incorporated by reference, the content of those websites has not been scrutinised or approved by the competent authority.

FORM OF THE NOTES

Each Tranche of Notes will be issued in dematerialised form.

The Notes will be held in dematerialised form on behalf of the beneficial owners, until their redemption or cancellation, by Euronext Securities Milan, for the account of the relevant Euronext Securities Account Holders. The Notes have been accepted for clearance by Euronext Securities Milan. The expression "**Euronext Securities Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan and includes any clearing systems which hold an account with Euronext Securities Milan, including Euroclear Bank SA/NV and Clearstream, Luxembourg.

The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Joint Regulation. The Noteholders may not require physical delivery of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Articles 83–*quinquies* and 83–*sexies* of the Financial Services Act.

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Euronext Securities Milan, by the Paying Agent to the accounts of the Euronext Securities Account Holders (as defined above), whose accounts with Euronext Securities Milan are credited with those Notes and thereafter credited by such Euronext Securities 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 Euronext Securities Milan, Euroclear or Clearstream, Luxembourg, as the case may be.

The Notes, being in dematerialised form, will be held in a form which would allow Eurosystem eligibility.

TERMS AND CONDITIONS OF THE NOTES

The applicable Final Terms (or the relevant provisions thereof) will complete these Terms and Conditions. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

*Any reference in these Terms and Conditions to "Noteholders" or "holders" in relation to any Notes shall mean the beneficial owners of the Notes and evidenced in book entry form with Monte Titoli S.p.A., now trading as Euronext Securities Milan ("**Euronext Securities Milan**") 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 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 Euronext Securities Milan.*

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Euronext Securities Milan, by the Paying Agent (as defined below) to the accounts of the Euronext Securities Account Holders whose accounts with Euronext Securities Milan are credited with those Notes and thereafter credited by such Euronext Securities 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 Euronext Securities Milan, Euroclear or Clearstream, Luxembourg, as the case may be. In these Conditions, the expression "**Euronext Securities Account Holder**" means any authorised financial intermediary institution authorised to hold accounts on behalf of their customers with Euronext Securities Milan and includes any clearing systems which hold an account with Euronext Securities Milan, including Euroclear and Clearstream, Luxembourg.

The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the relevant provisions for meetings of Noteholders attached to, and deemed to form part of, these Conditions (the "**Provisions for Meetings of Noteholders**").

1. Introduction

- (a) **Programme:** Banco di Desio e della Brianza S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of €3,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches of Notes (each a "**Tranche**"). Each Tranche is the subject of final terms (the "**Final Terms**") and the terms and conditions applicable to any such Tranche are these terms and conditions (the "**Conditions**" or the "**Terms and Conditions**"), together with the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **The Notes:** All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the Specified Office of the Paying Agent, the initial Specified Office of which is set out below.

2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" means the amount specified as such in the relevant Final Terms;

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Tier 1 Capital" has the meaning given to such term (or any other equivalent or successor term) in the Applicable Banking Regulations;

an **"Alignment Event"** will be deemed to have occurred if, as a result of a change in or amendment to the Applicable Banking Regulations or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue an instrument (i) in the case of Senior Notes, qualifying as Eligible Liabilities Instruments or (ii) in the case of Subordinated Notes, qualifying as Tier II Capital, that 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;

"Applicable Banking Regulations" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy and applicable to the Issuer or the Group (as the case may be), including (without limitation) any regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Regulatory Authority or of the institutions of the European Union, including the European Commission and the European Banking Authority (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group);

"Benchmarks Regulation" means Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014;

"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, supplemented or superseded from time to time (including by Directive (EU) 2024/1174 or any successor legislation);

"Business Day" means:

- (i) in relation to any sum payable in Euro, a T2 Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in Milan, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, means one or more of the conventions set out below and specified as being applicable to that date in the relevant Final Terms and, if so specified, may mean different conventions in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a

Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" means the amount specified as such in the relevant Final Terms;

"CET1 Instruments" means at any time common equity tier 1 instruments as interpreted and applied in accordance with the Applicable Banking Regulations;

"CMS Rate" means the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent;

"CMS Reference Banks" means (i) where the Reference Currency is Euro, the principal office of five major banks in the Euro-zone inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five major banks in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five major banks in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five major banks in the Relevant Financial Centre inter-bank market, in each case selected by the Issuer;

"Consolidated Banking Law" means the *Testo Unico Bancario* or Legislative Decree No. 385 of 1 September 1993, as amended or supplemented from time to time, including any successor legislation;

"CRR" means Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended, supplemented or superseded from time to time, including by Regulation EU/2024/1623 or any successor regulations;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins, divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360, 360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

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

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

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

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Designated Maturity" means the period or periods specified as such in the relevant Final Terms;

"Early Redemption Amount (Regulatory Event)" means in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Redemption Date" means, for the purposes of Conditions 12(b) (*Redemption for tax reasons*) or, if applicable, 12(c) (*Redemption for regulatory reasons*), the date fixed for redemption of the Notes following the giving of notice to Noteholders, which date shall fall:

- (i) at any time if none of the interest due on such date is required to be calculated in accordance with the Floating Rate Note Provisions; or
- (ii) on any Interest Payment Date if any of the interest due on the date of redemption is required to be calculated in accordance with the Floating Rate Note Provisions;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Eligible Liabilities" shall have the meaning given to such term in the CRR, as interpreted and applied in accordance with the Applicable Banking Regulations;

"Eligible Liabilities Instruments" means at any time eligible liabilities instruments as interpreted and applied in accordance with the Applicable Banking Regulations;

"Euronext Securities Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan and includes any clearing systems which hold an account with Euronext Securities Milan, including Euroclear and Clearstream, Luxembourg;

"Event of Default" means the event described under Condition 15(b) (*Event of Default*);

"Extraordinary Resolution" has the meaning given in the Provisions for Meetings of Noteholders;

"Final Redemption Amount" means, in respect of any Note, its principal amount;

"First Margin" means the margin specified as such in the applicable Final Terms.

"First Reset Date" means the date specified as such in the applicable Final Terms.

"First Reset Period" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date.

"First Reset Rate of Interest" means, in respect of the First Reset Period and subject to Condition 9(c) (*Reset Rate Note Provisions – Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent)), *provided that*, for the avoidance of doubt, if such sum results in a negative amount, such amount shall be deemed to be zero;

"Fixed Coupon Amount" means the amount specified as such in the relevant Final Terms;

"Fixed Rate Interest Period(s)" means:

- (i) in the case of Fixed to Floating Rate Notes:
 - (A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Interest Commencement Date to, but excluding, the Switch Date; or
 - (B) if the relevant Final Terms specify more than one Switch Date:
 - (1) the period from, and including, the Interest Commencement Date to, but excluding, the first Switch Date; and
 - (2) each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date; or
- (ii) in the case of Floating to Fixed Rate Notes:
 - (A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Switch Date to, but excluding, the Maturity Date; or
 - (B) if the relevant Final Terms specify more than one Switch Date:
 - (1) the period from, and including, the first Switch Date to, but excluding, the second Switch Date; and
 - (2) following the second Switch Date, each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date;

"Fixed Rate Note Provisions" means the provisions contained in Condition 8 (*Fixed Rate Note Provisions*);

"Floating Rate Interest Period(s)" means:

- (i) in the case of Floating to Fixed Rate Notes:
 - (A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Interest Commencement Date to, but excluding, the Switch Date; or
 - (B) if the relevant Final Terms specify more than one Switch Date:
 - (1) the period from, and including, the Interest Commencement Date to, but excluding, the first Switch Date; and

- (2) each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date; or
- (ii) in the case of Fixed to Floating Rate Notes:
 - (A) if the relevant Final Terms specify only one Switch Date, the period from, and including, the Switch Date to, but excluding, the Maturity Date; or
 - (B) if the relevant Final Terms specify more than one Switch Date:
 - (1) the period from, and including, the first Switch Date to, but excluding, the second Switch Date; and
 - (2) following the second Switch Date, each subsequent period (if any) from, and including, the next but one Switch Date to, but excluding, the next following Switch Date or (where applicable) the Maturity Date;

"Floating Rate Note Provisions" means the provisions contained in Condition 10 (*Floating Rate Note Provisions*);

"Group" means the Issuer and each of its subsidiaries, taken as a whole;

"Initial Rate of Interest" has the meaning specified in the applicable Final Terms.

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" means the date or dates specified as such in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Issue Date" means the date specified as such in the relevant Final Terms;

"Loss Absorption Requirement" means the power of the Regulatory Authority to subject Own Funds Instruments or other liabilities of the Issuer 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;

"Margin" means an amount expressed as a percentage, as specified in the relevant Final Terms;

"Maturity Date" means the date specified as such in the relevant Final Terms, provided that such date does not fall:

- (i) in the case of Senior Non-Preferred Notes, less than twelve months after the Issue Date; and
- (ii) in the case of Subordinated Notes, less than five years after the Issue Date;

"Maximum Redemption Amount" means, in respect of any Note, an amount specified as such in, or determined in accordance with, the relevant Final Terms;

"Mid-Market Swap Rate" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Reference Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent).

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate *per annum*) for the relevant Mid-Market Swap Rate.

"Mid-Swap Maturity" has the meaning given in the relevant Final Terms;

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 9(c) (*Reset Rate Note Provisions – Fallbacks*), either:

- (A) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date, which appears on the Relevant Screen Page; or
- (B) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate *per annum* and rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date, which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

"Mid-Swap Reference Rate" means EURIBOR if the Specified Currency is euro or such other rate specified as such in the relevant Final Terms if the Specified Currency is a currency other than euro;

"Minimum Redemption Amount" means, in respect of any Note, an amount specified as such in, or determined in accordance with, the relevant Final Terms;

"MREL Disqualification Event" means that, by reason of the introduction of or a change in MREL Requirements, which was not reasonably foreseeable by the Issuer at the Issue Date of the relevant Series of Senior Notes, all or part of the aggregate outstanding principal amount of such Series is or will be excluded fully or partially from Eligible Liabilities available to meet the MREL Requirements, *provided that* the exclusion of any Senior Notes of such Series from the MREL Requirements for the following reasons does not constitute a MREL Disqualification Event: (a) the remaining maturity of such Senior Notes being less than any period prescribed thereunder; (b) there being insufficient headroom for such Senior Notes within a prescribed exception to the otherwise applicable general requirements for Eligible Liabilities; and (c) such Senior Notes being purchased either by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer;

"MREL Requirements" means the laws, regulations, requirements, guidelines, rules, standards, measures and policies relating to minimum requirements for Own Funds and Eligible Liabilities and/or loss-absorbing capacity instruments applicable to the Issuer, from time to time, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards, measures and policies relating to minimum requirements for Own Funds and Eligible Liabilities and/or loss absorbing capacity instruments adopted by the Republic of Italy or the Regulatory Authority from time to time (whether or not such requirements, guidelines standards, measures or policies are applied generally or specifically to the Issuer), in each case as amended, supplemented, superseded or replaced from time to time;

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" means the date or dates specified as such in the relevant Final Terms, provided that such date does not fall:

- (i) in the case of Senior Non-Preferred Notes, less than twelve months after the Issue Date; and
- (ii) in the case of Subordinated Notes, less than five years after the Issue Date;

"Optional Redemption Date (Put)" means the date or dates specified as such in the relevant Final Terms;

"Own Funds" shall have the meaning given to such term in the CRR, as interpreted and applied in accordance with the Applicable Banking Regulations;

"Own Funds Instruments" means at any time own funds instruments as interpreted and applied in accordance with the Applicable Banking Regulations;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Paying Agent" means the Issuer or such other or further Person(s) specified as such in the relevant Final Terms and includes any successor or additional paying agents appointed from time to time in connection with the Notes;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is a T2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Permitted Jurisdiction" means any jurisdiction which, at the relevant time, is any of the following:

- (i) a Member State of the European Union; or
- (ii) the relevant jurisdiction of incorporation of the Issuer.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities or the United Kingdom as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Provisions for Meetings of Noteholders" means the provisions for meetings of noteholders attached to these Conditions as Appendix 1 (*Provisions for Meetings of Noteholders*);

"Prudential Regulations for Banks" means the Bank of Italy's *Disposizioni di Vigilanza per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended, supplemented or superseded from time to time, including any successor regulations;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage *per annum*) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms, including (if applicable) the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest;

"Redemption Amount" means, as applicable:

- (i) the Final Redemption Amount; or
- (ii) the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory Event), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the

Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" means the financial institutions specified as such in the relevant Final Terms or, if not so specified:

- (i) for the purposes of Condition 9 (*Reset Rate Note Provisions*), four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate, as selected by the Issuer on the advice of an investment bank of international repute;
- (ii) for the purposes of Condition 10(c) (*Screen Rate Determination*), four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"Reference Currency" means the currency specified as such in the relevant Final Terms;

"Reference Price" means the amount specified as such in the relevant Final Terms;

"Reference Rate" means the rate specified as such in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Regulatory Authority" means the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled having supervisory powers over the Issuer) or any European Union or other supranational authority (including the European Central Bank) having primary responsibility for prudential oversight and supervision of the Issuer from time to time;

"Regulatory Event" is deemed to have occurred for the purposes of Condition 12(c) (*Redemption for regulatory reasons*) if:

- (i) there is a change in Applicable Banking Regulations or any change in their official application or interpretation, in each case occurring after the date of issue of the first Tranche of the relevant Series of Notes, as a result of which it is likely that the relevant Subordinated Notes cease to qualify either in whole or in part as Tier II Capital of the Issuer (save where the exclusion from Tier II Capital of the Issuer is solely (A) a result of any applicable limitation on the amount of such capital, or (B) in accordance with any

requirement that recognition of such Series of Subordinated Notes as part of the Tier II Capital of the Issuer be amortised in the five years prior to maturity of such Notes, in either (A) or (B) in accordance with Applicable Banking Regulations in force as at the date on which agreement is reached to issue the first Tranche of such Series of Subordinated Notes); and

- (ii) where the Early Redemption Date falls before five years from the date of issue of the Notes, both of the following conditions are met:
 - (A) the Regulatory Authority considers such a change to be sufficiently certain; and
 - (B) the Issuer demonstrates to the satisfaction of the Regulatory Authority that the change in regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" means the city or cities or other geographical area or areas specified as such in the relevant Final Terms;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Swap Rate" means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of 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 euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EURIBOR with a designated maturity determined by the Calculation Agent by reference to standard market practice; and
- (ii) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms;

"Relevant Time" means the time specified as such in the relevant Final Terms;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"Reserved Matter" has the meaning given to it in the Provisions for Meetings of Noteholders and includes any proposal 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, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to

change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Reset Date" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable).

"Reset Determination Date" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period.

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be.

"Second Reset Date" means the date specified as such in the applicable Final Terms.

"Senior Non-Preferred Notes" means Notes specified in the applicable Final Terms as Senior Non-Preferred obligations and intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under, and for the purposes of, Article 12-*bis* and Article 91, section 1-*bis*, letter c-*bis* of the Consolidated Banking Law, as amended, supplemented or superseded from time to time, and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority;

"Senior Notes" means Senior Preferred Notes and Senior Non-Preferred Notes;

"Senior Preferred Note" means a Note specified as such in the relevant Final Terms (and, for the avoidance of doubt, excludes Senior Non-Preferred Notes);

"Specified Currency" means the currency specified as such in the relevant Final Terms;

"Specified Denomination(s)" means an amount of the Specified Currency specified as such in the relevant Final Terms;

"Specified Office" means the headquarters of the Issuer, at Via Rovagnati, 1, Desio (MB), Italy and/or such other address or addresses as may be specified in the Final Terms or in any notice given to Noteholders by the Issuer pursuant to Condition 20 (*Notices*);

"Specified Period" means the period specified as such in the relevant Final Terms;

"SRM Regulation" means the Single Resolution Mechanism established pursuant to Regulation (EU) No. 806/2014 of the European Parliament and of the Council, as amended, supplemented or replaced from time to time (including by Regulation EU/2024/1174);

"Subordinated Notes" means Notes specified as such in the applicable Final Terms, being Notes intended to qualify as Tier II Capital for regulatory capital purposes, in accordance with Part II, Chapter 1 of the Prudential Regulations for Banks and Article 63 of the CRR;

"Subsequent Margin" means the margin specified as such in the applicable Final Terms.

"Subsequent Reset Date" means the date or dates specified as such in the applicable Final Terms.

"Subsequent Reset Period" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date.

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 9(c) (*Reset Rate Note Provisions – Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin (with such sum converted (if necessary) to

a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent)), *provided that*, for the avoidance of doubt, if such sum results in a negative amount, such amount shall be deemed to be zero;

"Switch Date(s)" means:

- (i) where the Switch Option is not applicable, the date or dates that are specified as such in the relevant Final Terms; and
- (ii) where the Switch Option is applicable, the date or dates that are specified as such in the relevant Final Terms and in respect of which the Issuer has given notice of exercise of the relevant Switch Option to Noteholders at a date on which it was entitled to do so pursuant to Condition 7(e) (*Switching at the option of the Issuer*) and in accordance with Condition 20 (*Notices*);

"Switch Option" means, if specified as applicable in the relevant Final Terms, the option of the Issuer, at its sole discretion, on one or more occasions and subject to the provisions of Condition 7(e) (*Switching at the option of the Issuer*) to change the interest provisions applicable to the Notes from the Fixed Rate Note Provisions to the Floating Rate Note Provisions or *vice versa*;

"Switch Option Exercise Period(s)" means the period or periods specified as such in the relevant Final Terms, which period shall in any event end not less than 15 days prior to the relevant Switch Date;

"T2" means the *Trans-European Automated Real-Time Gross Settlement Express Transfer System* operated by the central banking system of the euro (commonly known as TARGET or T2) or any successor or replacement system;

"T2 Settlement Day" means any day on which T2 is open for the settlement of payments in Euro;

"Tier II Capital" has the meaning given to it by (i) the Regulatory Authority from time to time or (ii) any regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union and in force from time to time, as applicable;

"Treaty" means the Treaty on the Functioning of the European Union, as amended; and

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms,

(b) ***Interpretation:***

In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 14 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 14 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) a Note shall be considered to be "**outstanding**" unless one or more of the following events has occurred:
 - (A) **Redeemed or purchased:** it has been redeemed in full, or purchased under Condition 12(k) (*Purchase*), and in either case has been cancelled in accordance with Condition 12(l) (*Cancellation*);

- (B) **Due date:** the due date for its redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Paying Agent and remain available for payment against presentation and surrender of such Note; or
- (C) **Void:** all claims for principal and interest in respect of such Note have become void under Condition 16 (*Prescription*); and
- (D) **Meetings:** for the purposes of the Provisions for Meetings of Noteholders only, it is held by, or by any person for the benefit of, the Issuer; and
- (iv) if an expression is stated in Condition 2(a) (*Definitions*) to be specified or indicated in the relevant Final Terms, but the relevant Final Terms gives no such indication or specification or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes.

3. **Form, Denomination and Title**

The Notes will be in held in dematerialised form in the Specified Denomination(s) on behalf of their beneficial owners by Euronext Securities Milan for the account of the relevant Euronext Securities Account Holders as of their respective date of issue. Euronext Securities Milan shall act as depository for Euroclear and Clearstream, Luxembourg.

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 Joint Regulation. No physical document of title will be issued in respect of the Notes.

4. **Status of Senior Preferred Notes**

- (a) **Application:** This Condition 4 (*Status of Senior Preferred Notes*) is applicable only to Senior Preferred Notes.
- (b) **Status of the Senior Preferred Notes:** The Senior Preferred Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves. The payment obligations of the Issuer under the Senior Preferred Notes shall, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, at all times rank at least equally with its other present and future unsecured and unsubordinated obligations other than obligations ranking junior to the Senior Preferred Notes from time to time (including Senior Non-Preferred Notes and any further obligations permitted by law to rank, or expressed to rank, junior to the Senior Preferred Notes following the Issue Date), if any.
- (c) **Waiver.** Each holder of a Senior Preferred Note is deemed unconditionally and irrevocably to have waived 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 Senior Preferred Note.
- (d) **No Negative Pledge:** There is no negative pledge in respect of the Senior Preferred Notes.

5. **Status of Senior Non-Preferred Notes**

- (a) **Application:** This Condition 5 (*Status of Senior Non-Preferred Notes*) is applicable only to Senior Non-Preferred Notes.
- (b) **Status of the Senior Non-Preferred Notes:** The obligations of the Issuer under the Senior Non-Preferred Notes (notes intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under, and for the purposes of, Article 12-*bis* and Article 91, section

1-bis, letter c-bis of the Consolidated Banking Law, and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority) in respect of principal, interest and other amounts constitute direct, unconditional, unsubordinated, unsecured and non-preferred obligations of the Issuer, ranking (i) junior to Senior Preferred Notes and any other unsecured and non-preferred obligations of the Issuer which rank, or are expressed to rank by their terms and/or by provision of law, senior to Senior Non-Preferred Notes, including claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR, and (ii) at least *pari passu* without any preferences among themselves, and with all other present or future unsubordinated and non-preferred obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Senior Non-Preferred Notes and (iii) in priority to any subordinated instruments, to any present or future claims ranking junior to such Series of Senior Non-Preferred Notes and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-bis, letter c-bis of the Consolidated Banking Law, as amended from time to time, and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority.

- (c) **Waiver.** Each holder of a Senior Non-Preferred Note is deemed unconditionally and irrevocably to have waived 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 Senior Non-Preferred Note.
- (d) **No Negative Pledge:** There is no negative pledge in respect of the Senior Non-Preferred Notes.

6. Status of Subordinated Notes

- (a) **Application:** This Condition 6 (*Status of Subordinated Notes*) is applicable only to Subordinated Notes.
- (b) **Status of Subordinated Notes:** The Subordinated Notes constitute direct and unsecured obligations of the Issuer subordinated as described below. Save as provided in Condition 6(c) (*Status of disqualified Subordinated Notes*), the Subordinated Notes rank *pari passu* without any preference among themselves. In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by the Issuer in respect of principal and interest thereon will be paid *pro rata* on all Subordinated Notes of such Series.

In the event of the compulsory winding up of the Issuer (*liquidazione coatta amministrativa*), for so long as the relevant Series of Subordinated Notes qualify, in whole or in part, as Tier II Capital, the payment obligations of the Issuer under each Series of Subordinated Notes will rank in right of payment (A) after unsubordinated unsecured creditors (including depositors and any holder of Senior Notes) of the Issuer and all other creditors of the Issuer holding instruments that are less subordinated than the Subordinated Notes (including any subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*)) but (B) at least *pari passu* with all other subordinated obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes, including holders of present or future outstanding Tier II Capital of the Issuer and (C) in priority to the claims of shareholders of the Issuer and to the claims of creditors of the Issuer holding instruments that are more subordinated than the Subordinated Notes.

- (c) **Status of disqualified Subordinated Notes:** If the relevant Series of Subordinated Notes do not qualify (or cease to qualify) in their entirety as own funds items (*elementi di fondi propri*), such Subordinated Notes will rank *pari passu* without any preference among the Notes and: (A) at least *pari passu* with the Issuer's obligations in respect of any other subordinated instruments that have ceased to qualify, in their entirety, as own funds items (*elementi di fondi propri*) and

with all other subordinated indebtedness of the Issuer that have such ranking; (B) in priority to payments to holders of present or future outstanding indebtedness which qualifies, in whole or in part, as own funds items (*elementi di fondi propri*), including Additional Tier 1 Capital and Tier II Capital; and (C) junior in right of payment to the payment of any present or future claims of depositors of the Issuer and any other unsubordinated creditors of the Issuer (including Senior Notes).

- (d) **Waiver.** Each holder of a Subordinated Note is deemed unconditionally and irrevocably to have waived 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 Subordinated Note.
- (e) **Loss absorption:** The Subordinated 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 Regulatory Authority and where the Regulatory Authority determines that the application of the Loss Absorption Requirement to the Subordinated Notes is necessary pursuant to applicable law and/or regulation in force from time to time.
- (f) **No Negative Pledge:** There is no negative pledge in respect of the Subordinated Notes.

7. Fixed to Floating Rate or Floating to Fixed Rate Note Provisions

- (a) **Application:** This Condition 7 (*Fixed to Floating Rate or Floating to Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed to Floating Rate Note Provisions or the Floating to Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Fixed to Floating Rate Note Provisions:** If the Fixed to Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, then:
 - (i) the Fixed Rate Note Provisions shall apply to the Notes initially upon issue and in respect of the Fixed Rate Interest Period(s); and
 - (ii) the Floating Rate Note Provisions shall apply in respect of the Floating Rate Interest Period(s).
- (c) **Floating to Fixed Rate Note Provisions:** If the Floating to Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, then:
 - (i) the Floating Rate Note Provisions shall apply to the Notes initially upon issue and in respect of the Floating Rate Interest Period(s); and
 - (ii) the Fixed Rate Note Provisions shall apply in respect of the Fixed Rate Interest Period(s).
- (d) **Scheduled switching:** If the Final Terms do not specify that the Switch Option is applicable, then the switching of interest pursuant to this Condition 7 (*Fixed to Floating Rate or Floating to Fixed Rate Note Provisions*) shall take effect on each Switch Date without any requirement to give notice or other formality (but without prejudice, if applicable, to Condition 10(g) (*Publications*)).
- (e) **Switching at the option of the Issuer:** If the Final Terms specify that the Switch Option is applicable, then:
 - (i) the Issuer may, on one or more occasions, as specified in the relevant Final Terms, give notice to the Noteholders during the relevant Switch Option Exercise Period of the switching of interest applicable to the Notes from the Fixed Rate Note Provisions to the Floating Rate Note Provisions or *vice versa*;

- (ii) *provided that* notice is given to Noteholders during the relevant Switch Option Exercise Period, such notice will be irrevocable and binding on both the Issuer and the Noteholders and will take effect:
 - (A) where only one Switch Date is specified in the relevant Final Terms, from (and including) the Switch Date to (but excluding) the Maturity Date; or
 - (B) where more than one Switch Date is specified in the relevant Final Terms, from (and including) the relevant Switch Date to (but excluding) the next following Switch Date; and
- (iii) if, in relation to a date specified in the Final Terms as a Switch Date, the Switch Option is not exercised in accordance with this Condition 7(e) (*Switching at the option of the Issuer*), then such date will be deemed not to be a Switch Date for the purposes of these Conditions and the interest provisions applicable prior to such date shall continue to apply.

8. Fixed Rate Note Provisions

- (a) **Application:** This Condition 8 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject (if applicable) to adjustment of the Rate of Interest pursuant to Condition 9 (*Reset Rate Note Provisions*) and subject as provided in Condition 13 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (*Fixed Rate Note Provisions*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of Interest Amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

9. Reset Rate Note Provisions

- (a) **Application:** This Condition 9 (*Reset Rate Note Provisions*) is applicable to the Notes only if the Reset Rate Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) ***Rates of Interest and Interest Payment Dates:*** If the Reset Note Provisions are specified in the applicable Final Terms as being applicable, then such Reset Note bears interest:
- (A) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;
 - (B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate *per annum* equal to the First Reset Rate of Interest; and
 - (C) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (i) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (ii) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 8(d) (*Fixed Rate Note Provisions – Calculation of Interest Amount*).

- (c) ***Fallbacks:*** Subject to Condition 10(i)9(c) (*Benchmark replacement*), if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer shall request each of the Reference Banks (as defined below) to provide the Issuer with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Issuer with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Issuer with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

- (d) ***Benchmark replacement:*** The provisions of Condition 10(i) (*Benchmark Replacement*) shall apply to this Condition 9 as if set out in full *mutatis mutandis*.

10. Floating Rate Note Provisions

- (a) ***Application:*** This Condition 10 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) ***Accrual of interest:*** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 13 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 10 (*Floating Rate Note Provisions*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums

due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Screen Rate Determination:***

(i) *Floating Rate Notes other than CMS Linked Interest Notes:* If, in the relevant Final Terms, Screen Rate Determination is specified as the manner in which the Rate(s) of Interest is/are to be determined and "CMS Rate" is not specified as the Reference Rate, then the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date; and
- (C) the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined,

provided, however, that (x) for the avoidance of doubt, if such sum results in a negative amount, such amount shall be deemed to be zero and (y) if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(ii) *CMS Linked Interest Notes:* If, in the relevant Final Terms, Screen Rate Determination is specified as the manner in which the Rate(s) of Interest is/are to be determined and "CMS Rate" is specified as the Reference Rate, then the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent by reference to the following formula:

CMS Rate plus Margin

provided that, for the avoidance of doubt, if such sum results in a negative amount, such amount shall be deemed to be zero.

If the Relevant Screen Page is not available, the Issuer shall request each of the CMS Reference Banks to provide the Issuer with its quotation for the Relevant Swap Rate at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the Interest Determination Date in question. The Issuer will notify the Calculation Agent of all quotations received. If at least three of the CMS Reference Banks provide the Issuer with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, 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 on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate in effect with respect to the immediately preceding Interest Period.

- (d) **Maximum or Minimum Rate of Interest.** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Calculation of Interest Amount.** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount during such Interest Period, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (f) **Calculation of other amounts.** If the relevant Final Terms specify that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (g) **Publication.** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agent, Euronext Securities Milan and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) **Notifications etc.** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, Euronext Securities Milan, the Paying Agent, the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (i) **Benchmark replacement.** Notwithstanding the provisions above in this Condition 10 (*Floating Rate Note Provisions*), if a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining Rate of Interest (or any component

part(s) thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

The Issuer shall determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 10(i)(i)) and, in either case, an Adjustment Spread if any (in accordance with Condition 10(i)(ii)) and any Benchmark Amendments (in accordance with Condition 10(i)(iii)). If the Issuer cannot determine a Successor Rate or Alternative Rate or an Adjustment Spread if any, then the Issuer shall, as soon as reasonably practicable and at its own expense, appoint an Independent Adviser to determine a Successor Rate, Alternative Rate or Adjustment Spread (if any).

The Issuer and the Independent Adviser (as applicable) shall at all times act in good faith and in a commercially reasonable manner.

- (i) *Successor Rate or Alternative Rate:* If the Issuer or the Independent Adviser (as applicable) determines that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 10(i)(ii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 10(i)); or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 10(i)(ii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 10(i)).
- (ii) *Adjustment Spread:* If the Issuer or the Independent Adviser (as applicable) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be for each subsequent determination of a relevant Rate of Interest or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).
- (iii) *Benchmark Amendments:* If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 10(i) and the Issuer or the Independent Adviser (as applicable) determines (i) that amendments to these Conditions (including without limitation, amendments to the definitions of Day Count Fraction, Business Day, Relevant Screen Page, Interest Determination Date, Relevant Time, Relevant Financial Centre, Reference Banks, Principal Financial Centre, Business Day Convention or Additional Business Centre) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, and subject to the Issuer giving notice thereof in accordance with Condition 10(i)(iv), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 10(i)(iii), the Issuer shall comply 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.

- (iv) *Notices, etc.*: The Issuer shall notify the Paying Agent, Euronext Securities Milan and the Calculation Agent or any other party specified in the relevant Final Terms as being responsible for calculating the Rate of Interest and, in accordance with Condition 20 (*Notices*), the Noteholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 10(i). Such notice shall be irrevocable (save in the event of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) and shall specify the effective date of the Benchmark Amendments, if any.

Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (unless revoked) be binding on the Issuer, Euronext Securities Milan, the Paying Agent, the Calculation Agent, any other party specified in the relevant Final Terms as being responsible for calculating the Rate of Interest, the Noteholders.

- (v) *Survival of Original Reference Rate*: Without prejudice to the obligations of the Issuer under the provisions of this Condition 10(i), the Original Reference Rate and the fallback provisions provided for in paragraph (i)(C) of Condition 10(c) (*Floating Rate Notes other than CMS Linked Interest Notes*) or in Condition 10(c)(ii) (*CMS Linked Interest Notes*) (as the case may be) will continue to apply unless and until a Benchmark Event has occurred and only then once the Paying Agent, Euronext Securities Milan and Calculation Agent or such other party specified in the relevant Final Terms, as applicable, have been notified of the Successor Rate or Alternative Rate (as the case may be) and any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable) in accordance with Condition 10(i)(iv).
- (vi) *Fallbacks*: If, (a) following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the relevant Interest Determination Date, the Issuer or the Independent Adviser (as applicable) is unable or fails to determine a Successor Rate or Alternative Rate (as applicable) pursuant to this Condition 10(i) by such Interest Determination Date, or, (b) in the case of Subordinated Notes, if the provisions relating to the occurrence of a Regulatory Event in case of a Benchmark Event is specified as applicable in the relevant Final Terms or, in the case of Senior Notes, the provisions relating to the occurrence of a MREL Disqualification Event in case of a Benchmark Event is specified as applicable in the relevant Final Terms (as applicable), the provisions under paragraphs from (i) to (iii) above would cause the occurrence of a Regulatory Event or a MREL Disqualification Event (as applicable), **then** the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest applicable to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating

to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period). For the avoidance of doubt, this Condition 10(i) shall apply to the determination of the Rate of Interest for the relevant Interest Period only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 10(i).

(vii) *Definitions:* In this Condition 10(i):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer or the Independent Adviser (as applicable) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate), the Issuer or the Independent Adviser (as applicable) determines is customarily applied to the relevant Successor Rate or Alternative Benchmark Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if the Issuer or the Independent Adviser (as applicable) determines that no such spread, formula or methodology customarily applies) the Issuer or the Independent Adviser (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Benchmark Rate (as the case may be); or
- (D) (if the Issuer or the Independent Adviser (as applicable) determines that no such industry standard is recognised or acknowledged) the Issuer or the Independent Adviser (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Benchmark Rate (as the case may be);

"Alternative Rate" means an alternative to the Reference Rate which the Issuer or the Independent Adviser (as applicable) determines in accordance with Condition 10(i)(i) 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) or if no such rate exists, the rate which is most comparable in terms of nature, structure and market uptake to the Original Reference Rate, for a comparable interest period and in the same Specified Currency as the Notes;

"Benchmark Amendments" has the meaning given to it in Condition 10(i)(iii);

"Benchmark Event" means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to be calculated, administered or published;
- (B) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified future date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate);
- (C) the making of a public statement by the supervisor of the administrator or by the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the making of a public statement by the supervisor of the administrator or by the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified future date, be permanently or indefinitely discontinued;
- (E) making of a public statement by the supervisor of the administrator or by the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified future date; or
- (F) it has or will, by a specified date within the following six months, become unlawful for any Paying Agent, the Calculation Agent or such other party as specified in the relevant Final Terms to calculate any payments due to be made to any Noteholder using the Original Reference Rate including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable,

provided that, in the case of paragraphs (B), (D) and (E) above, where the “specified future date” in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 10(i) at its own expense;

"Original Reference Rate" means the originally-specified benchmark or screen rate used to determine the relevant Rate of Interest (or any component part thereof) on the Notes;

"Relevant Nominating Body" means, in respect of the Original Reference Rate:

- (A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means an interest rate that is formally recommended by any Relevant Nominating Body to be the successor to or replacement of the Original Reference Rate which is determined by the Issuer in accordance with this Condition 10 (*Floating Rate Note Provisions*).

11. Zero Coupon Note Provisions

- (a) **Application:** This Condition 11 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

12. Redemption and Purchase

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, as provided in Condition 13 (*Payments*), and, in the case of Subordinated Notes, subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*).

Pursuant to Article 12-bis, paragraph 1, letter a), of the Consolidated Banking Law, the Maturity Date of the Senior Non-Preferred Notes shall not fall earlier than twelve months after their Issue Date.

- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer (subject, in the case of Subordinated Notes, to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes, to Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*)) in whole, but not in part, on the Early Redemption Date on giving not less than 15 nor more than 30 calendar days' notice to the Paying Agent, Euronext Securities Milan and, in accordance with Condition 20 (*Notices*), the Noteholders (which notices shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the Early Redemption Date, if:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and

- (iii) in the case of Subordinated Notes and only if the Early Redemption Date falls before five years from the Issue Date, the Issuer has demonstrated to the satisfaction of the Regulatory Authority that such change is material and was not reasonably foreseeable at the Issue Date,

(any such event, a "**Tax Event**") *provided, however, that* no such notice of redemption shall be given earlier than:

- (A) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (B) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Upon publication of any notice of redemption pursuant to this paragraph, the Issuer shall make available, upon request, to the relevant Noteholders (1) a certificate signed by a duly authorised legal representative of the Issuer stating that 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 (2) 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 such change or amendment. Upon the giving of any such notice to Noteholders, the Issuer shall be bound to redeem the Notes in accordance with this Condition 12(b) (subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*)) and to Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*)).

(c) ***Redemption for regulatory reasons:***

- (i) *Application:* This Condition 12(c) is applicable only to Subordinated Notes and only if Regulatory Call is specified as being applicable in the relevant Final Terms.
- (ii) *Redemption:* Upon occurrence of a Regulatory Event, subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*), the Notes may be redeemed on the Early Redemption Date at the option of the Issuer in whole, but not in part, on giving not less than 15 nor more than 30 calendar days' notice (which notice shall be irrevocable) to the Paying Agent, Euronext Securities Milan and, in accordance with Condition 20 (*Notices*), the Noteholders (which notice shall be irrevocable).

Upon publication of any notice of redemption pursuant to this Condition 12(c), the Issuer shall make available, upon request, to the relevant Noteholder a certificate signed by a duly authorised legal representative of the Issuer stating that a Regulatory Event has occurred and describing the facts giving rise to such circumstances, and such certificate shall be conclusive and binding on the Noteholders.

Upon the giving of any such notice to Noteholders, the Issuer shall be bound to redeem the Notes in accordance with this Condition 12(c), at the Early Redemption Amount (Regulatory Event) specified in the relevant Final Terms, together (if applicable) with interest accrued to (but excluding) the Early Redemption Date.

Any redemption pursuant to this Condition 12(c) shall be subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*).

- (d) ***Redemption at the option of the Issuer:*** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer (subject, in the case of Subordinated Notes, to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes, to Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*)) in whole or, if so specified in the relevant Final Terms, in part, on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 calendar days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Paying Agent, Euronext Securities Milan and, in accordance with Condition 20 (*Notices*), the Noteholders (which notices shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

In the case of Senior Notes, the call option pursuant to this Condition 12(d) shall be subject to Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*).

In the case of Subordinated Notes, no call option in accordance with this Condition 12(d) may be exercised by the Issuer to redeem, in whole or in part, such Notes prior to the fifth anniversary of their Issue Date. Starting from the fifth anniversary of their Issue Date, the redemption pursuant to this Condition 12(d) shall be subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*).

- (e) ***Partial redemption:*** If the Notes are to be redeemed in part only on any date in accordance with Condition 12(d) (*Redemption at the option of the Issuer*), the Notes shall be redeemed in accordance with the rules of Euronext Securities Milan (to be reflected in the records of Euronext Securities Milan as a *pro rata* reduction in principal amount), subject to compliance with applicable laws and the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

In the case of Senior Notes, the partial redemption pursuant to this Condition 12(e) shall be subject to Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*).

In the case of Subordinated Notes, no partial redemption in accordance with this Condition 12(e) may be exercised by the Issuer in respect of such Notes prior to the fifth anniversary of their Issue Date. Starting from the fifth anniversary of their Issue Date, the partial redemption pursuant to this Condition 12(e) shall be subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*).

- (f) ***Redemption at the option of Noteholders:***

- (i) ***Application:*** This Condition 12(f) (*Redemption at the option of Noteholders*) is applicable only if the Put Option is specified in the relevant Final Terms as being applicable but, in any event, does not apply to Senior Non-Preferred Notes and Subordinated Notes.

- (ii) **Put Options:** The Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 12(f), the holder of a Note must, not less than 15 nor more than 30 calendar days (or such other period of notice as is specified in the applicable Final Terms) before the relevant Optional Redemption Date (Put), deliver to any Paying Agent a duly completed Put Option Notice in the form obtainable from any Paying Agent. Upon delivery of a Put Option Notice and up to and including the Optional Redemption Date (Put), no transfer of title to the Note(s) for which the Put Option Notice has been delivered will be allowed. At least 5 Business Days prior to the Optional Redemption Date (Put), the Issuer and the Paying Agent shall notify Euronext Securities Milan of the amount of Notes to be redeemed on the Optional Redemption Date (Put) and the aggregate Optional Redemption Amount (Put).
 - (g) **Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes:** In the case of Subordinated Notes, any call, redemption, repayment or repurchase of such Notes in accordance with Conditions 12(b) (*Redemption for tax reasons*), 12(c) (*Redemption for regulatory reasons*), 12(d) (*Redemption at the option of the Issuer*), 12(n) (*Clean-up redemption at the option of the Issuer*), 12(k) (*Purchase*) or 18 (*Meetings of Noteholders; Modification*) (including, for the avoidance of doubt, any modification in accordance with Condition 18 (*Meetings of Noteholders; Modification*)) is subject to compliance with the then applicable Banking Regulations, including:
 - (a) the Issuer having obtained the prior permission of the Regulatory Authority in accordance with Articles 77 and 78 of the CRR, as amended or replaced from time to time, where either:
 - i. on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Subordinated Notes with Own Funds Instruments of equal or higher quality at terms that are sustainable for its income capacity; or
 - ii. the Issuer has demonstrated to the satisfaction of the Regulatory Authority that its Own Funds would, following such call, redemption, repayment or repurchase, exceed the capital requirements laid down in the Applicable Banking Regulations by a margin that the Regulatory Authority considers necessary; and
 - (b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRR, further to the conditions set out under (a):
 - i. on or before the relevant call, redemption, repayment or repurchase, the Issuer replaces the Notes with Own Funds Instruments of equal or higher quality at terms that are sustainable for income capacity of the Issuer and the Regulatory Authority has 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
 - ii. the Subordinated Notes are repurchased for market making purposes,
- subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Applicable Banking Regulations.

The Regulatory Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Subordinated Notes, in the limit of a predetermined amount, which shall not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Regulatory Authority from time to time) of the aggregate principal amount of the relevant Subordinated Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Regulatory Authority from time to time) of the outstanding aggregate principal amount of the Tier II Capital 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 romans i and ii of sub-paragraph (a) of the preceding paragraph.

For the avoidance of doubt, any refusal of the Regulatory Authority to grant its permission in accordance with Article 78 of the CRR shall not constitute a default of the Issuer for any purposes.

Please note that the information provided regarding the redemption, repayment, repurchase of the Subordinated Notes should not in any case be understood as a commitment by the Issuer to repay, repurchase, or prepay the Subordinated Notes. Early redemption, repayment, repurchase is, in fact, an option of the Issuer, the exercise of which is at the discretion of the Issuer and is subject to the requirements and conditions under then applicable Banking Regulations, also taking into account the specific prudential regime applicable to the Notes.

(h) ***Redemption due to a MREL Disqualification Event***

- (i) *Application:* this Condition 12(h) applies only to Notes specified in the applicable Final Terms as Senior Notes.
- (ii) If Issuer Call due to MREL Disqualification Event is specified as being applicable in the applicable Final Terms, then any Series of Senior Notes may (subject to the provisions of Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*)) on or after the date specified in a notice published on the Issuer's website be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Paying Agent, Euronext Securities Milan and, in accordance with Condition 20 (*Notices*), the Noteholders (which notices shall be irrevocable), if the Issuer determines that an MREL Disqualification Event has occurred and is continuing.
- (iii) Upon the giving of any such notice as is referred to in this Condition, the Issuer shall be bound to redeem the Notes in accordance with this Condition. Notes redeemed pursuant to this Condition will be redeemed at their Early Redemption Amount described in the applicable Final Terms, together (if applicable) with interest accrued to (but excluding) the date of redemption.

(i) ***Early redemption of Zero Coupon Notes:*** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for

redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 12(i) or, if none is so specified, a Day Count Fraction of 30E/360.

- (j) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 12(a) (*Scheduled redemption*) to 12(f) (*Redemption at the option of Noteholders*) and Condition 12(h) (*Redemption due to a MREL Disqualification Event*) above and Condition 12(n) (*Clean-up redemption at the option of the Issuer*) below.
- (k) **Purchase:** The Issuer or any of its Subsidiaries may (but, in the case of Subordinated Notes, subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes, to Condition 12(m) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*)) at any time purchase Notes in the open market or otherwise and at any price, unless and to the extent permitted by the Applicable Banking Regulations at the relevant time.
- (l) **Cancellation:** All Notes so redeemed or purchased shall be cancelled and may not be reissued or resold.
- (m) **Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes:** Any call, redemption, repayment or repurchase in accordance with Conditions 12(b) (*Redemption for tax reasons*), 12(d) (*Redemption at the option of the Issuer*), 12(h) (*Redemption due to a MREL Disqualification Event*), 12(n) (*Clean-up redemption at the option of the Issuer*), 12(k) (*Purchase*) or 18 (*Meetings of Noteholders; Modification*) (including, for the avoidance of doubt, any modification in accordance with Condition 18 (*Meetings of Noteholders; Modification*)) of Senior Notes is subject, to the extent such Senior Notes qualify at such time as liabilities that are eligible to meet the MREL Requirements (Eligible Liabilities Instruments) or, in case of a redemption pursuant to Condition 12(h) (*Redemption due to a MREL Disqualification Event*), qualified as liabilities that are eligible to meet the MREL Requirements before the occurrence of the MREL Disqualification Event, to compliance with the Applicable Banking Regulations, including the condition that the Issuer has obtained the prior permission of the Regulatory Authority in accordance with Article 78a of the CRR, where one of the following conditions is met:
 - (a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Relevant Notes with Own Funds Instruments or Eligible Liabilities Instruments of equal or higher quality at terms that are sustainable for its income capacity; or
 - (b) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that its Own Funds and Eligible Liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and Eligible Liabilities laid down in the Applicable Banking Regulations by a margin that the Regulatory Authority considers necessary; or
 - (c) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that the partial or full replacement of the relevant notes with Own Funds Instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Applicable Banking Regulations for continuing authorisation,

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

The Regulatory Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) Senior Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) and (b) of the preceding paragraph.

For the avoidance of doubt, any refusal of the Regulatory Authority to grant its permission in accordance with Article 78a of the CRR shall not constitute a default of the Issuer for any purposes.

Please note that, except for Condition 12(f), the information provided regarding the redemption, repayment, repurchase of the Senior Notes should not in any case be understood as a commitment by the Issuer to repay, repurchase, or prepay the Senior Notes. Early redemption, repayment, repurchase is, in fact, an option of the Issuer, the exercise of which is at the discretion of the Issuer and is subject to the requirements and conditions under then applicable Banking Regulations, also taking into account the specific prudential regime applicable to the Notes.

- (n) ***Clean-up redemption at the option of the Issuer.*** If Clean-Up Redemption is specified as applicable in the Final Terms, and if at least 75% or any higher percentage specified as the relevant threshold in the relevant Final Terms of the initial aggregate principal amount of the Notes of the same Series (which for the avoidance of doubt includes, any additional Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, the Issuer may at any time, at its option, and having given to the Paying Agent, Euronext Securities Milan and, in accordance with Condition 20 (*Notices*), the Noteholders not less than 15 nor more than 30 calendar days' notice (the "**Clean-Up Redemption Notice**") (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem such outstanding Notes on such date fixed for redemption, in whole but not in part, at the redemption amount specified in the Final Terms together, if applicable, with accrued interest to (but excluding) such date fixed for redemption.

In the case of Subordinated Notes, the redemption referred to in this Condition 12(n) shall be subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Subordinated Notes*).

In the case of Senior Notes, the redemption referred to in this Condition 12(n) shall be subject to Condition 12(g) (*Regulatory conditions for redemption, repayment, repurchase or modification of Senior Notes*).

13. **Payments**

- (a) ***Principal and interest.*** Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Euronext Securities Milan, by the Paying Agent to the accounts of the Euronext Securities Account Holders whose accounts with Euronext Securities Milan are credited with those Notes and thereafter credited by such Euronext Securities 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 Euronext Securities Milan, Euroclear or Clearstream, Luxembourg, as the case may be.

- (b) ***Payments subject to fiscal laws:*** All payments in respect of the Notes are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to sections 1471 to 1474 of that Code, any regulations or arrangements thereunder, official interpretation thereof or any law implementing an inter-governmental approach thereto. No commissions or expenses shall be charged to the Noteholders for any payments in respect of the Notes.
- (c) ***Payments on business days:*** If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

14. **Taxation**

- (a) ***Gross up:*** All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts in respect of, with regard to the Senior Notes not qualifying at such time as liabilities that are eligible to meet the MREL Requirements only, principal and interest (if permitted by MREL Requirements), and, with regard to any other Notes, interest only (and not in respect of principal), as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:
 - (i) presented for payment in the Republic of Italy; or
 - (ii) presented for payment by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Italy other than the mere holding of such Note; or
 - (iii) presented for payment by 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; or
 - (iv) in relation to any payment or deduction on any interest, principal or other proceeds on account of Italian substitute tax (*imposta sostitutiva*) (at the then applicable rate of tax) pursuant to Legislative Decree No. 239 of 1 April 1996 and related regulations of implementation, as amended, supplemented and/or re-enacted from time to time ("**Decree No. 239**"), including Legislative Decree No. 461 of 21 November 1997 and related regulations of implementation, as amended, supplemented and/or re-enacted from time to time ("**Legislative Decree No. 461**") and in all circumstances in which the procedures set forth in Decree No. 239 have not been met or complied with; or
 - (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or

- (vi) presented for payment more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note on the last day of such period of 30 days; or
 - (vii) presented for payment by or on behalf of a Noteholder who is entitled to avoid such deduction or withholding by making, or procuring, a declaration of residence or non-residence or other substantially similar claim but fails to do so; or
 - (viii) where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended or supplemented from time to time.
- (b) **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.
 - (c) **FATCA:** For the avoidance of doubt, the Issuer will have no obligation to pay any additional amounts in respect of the Notes for any amounts required to be withheld or deducted pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 if withholding or deduction is imposed under those rules.

15. Events of Default

- (a) **Events of Default:** If the Issuer is subject to *Liquidazione Coatta Amministrativa* as defined in the Consolidated Banking Act, then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality. 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). For the avoidance of doubt, the non-payment by the Issuer of any amount due and payable under these Notes or the taking of any crisis prevention measure or crisis management measure in relation to the Issuer, in each case in accordance with BRRD, is not an Event of Default.
- (b) **No other remedy:** Subject to applicable laws, no remedy against the Issuer (including the exercise of any right of set-off or any analogous event) nor any acceleration right other than as specifically provided under this Condition 15 (*Events of Default*) shall be available to holders of any of the Notes whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations in relation to the Notes or otherwise.

16. Prescription

Claims for principal and interest shall become void unless made within ten years (in the case of principal) and five years (in the case of interest) of the appropriate Relevant Date.

17. Agents

Unless specified otherwise in the relevant Final Terms, the Issuer will act as initial Paying Agent for the Notes and the role of initial Calculation Agent (if any) will be performed by the Paying Agent or such other persons specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate its role as Paying Agent or Calculation Agent or the role of any other person(s) appointed by it as Paying Agent or Calculation Agent (each such person, an “**Agent**”), and may at any time appoint another person to replace the outgoing Agent or to act as an additional Paying Agent. Any Agent appointed by the Issuer shall be a reputable

financial institution of good standing, in each case under the terms of an agency agreement in a form customary in the international capital markets.

Notwithstanding the foregoing:

- (i) the Issuer shall at all times maintain a Paying Agent;
- (ii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system,

and the termination of the role of any such Agent shall only take effect upon the appointment by the Issuer of a successor or, where applicable, upon the Issuer assuming the role of such Agent in place of the outgoing Paying Agent

Notice of any change in the Agents or in the Specified Offices of any Paying Agent shall promptly be given to the Noteholders in accordance with Condition 20 (*Notices*).

In acting as Agent in connection with the Notes, the Agent does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or any other Person.

18. **Meetings of Noteholders; Modification**

Meetings of Noteholders: The Noteholders are deemed to have notice of, are bound by and shall have the benefit of the terms of the Provisions for Meetings of Noteholders, which contain provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (a) ***Modification:*** The Issuer may, by notice to Noteholders in accordance with Condition 20 (*Notices*) but otherwise without the consent of the Noteholders, modify these Conditions if such modification is of a formal, minor or technical nature, is made to correct a manifest error or is not materially prejudicial to the interests of the Noteholders.

In addition, (i) in the case of Senior Notes, if at any time a MREL Disqualification Event or, if Variation for an Alignment Event is indicated as applicable in the relevant Final Terms, an Alignment Event occurs or (ii) in the case of all Notes, in order to ensure the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Regulatory Authority (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Paying Agent, Euronext Securities Milan and the holders of the Notes of that Series, at any time vary the terms of such Notes so that they remain or, as applicable, become Qualifying Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

For the purposes of this Condition 18(a), "**Qualifying Notes**" means securities issued by the Issuer that:

- (i) other than in respect of the effectiveness and enforceability of Condition 24 (*Contractual Recognition of Bail-in Powers*), have terms not materially less favourable to a holder of the existing Notes (as reasonably determined by the Issuer), and they shall also: (A) in the case of Senior Notes, contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's (as applicable) minimum requirements for Own Funds and Eligible Liabilities under the then applicable MREL Requirements; (B) in the case of Subordinated Notes, comply with the then current requirements of the Applicable Banking Regulations in relation to Tier II Capital; and (C) in the case of both Senior Notes and Subordinated Notes, (1) include a ranking at least equal to that of the existing ranking of the Notes; (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (3) have the same redemption rights as the Notes; and (4) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the existing Notes immediately prior to such variation; and (5) continue to constitute legal, valid, binding and enforceable obligations of the Issuer as confirmed by a legal opinion addressed to the Issuer from a lawyer or firm of lawyers of recognised standing in the jurisdiction where the Issuer is incorporated, delivered to the Paying Agent which shall make it available to the Noteholders at its Specified Office; and
- (ii) are listed on a recognised stock exchange if the Notes were listed immediately prior to such variation.

Any variation of the Conditions to give effect to the Benchmark Amendments in accordance with Condition 10(i) (*Benchmark replacement*) shall not require the consent or approval of Noteholders.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date, the Interest Commencement Date and/or the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

For so long as the Notes are held through Euronext Securities Milan, all notices regarding the Notes will be deemed to be validly given if published through the systems of Euronext Securities Milan, and (if and for so long as the Notes are admitted to trading on a securities market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") and, for so long as the

rules of Euronext Dublin so require) on the website of Euronext Dublin (www.euronext.com/en/markets/dublin). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange or other relevant authority on which the Issuer has made application for the Notes to be listed or 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 first publication.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) **Governing law.** The Notes and any non-contractual obligations arising out of or in connection with the Notes, are governed by, and shall be construed in accordance with Italian law.
- (b) **Italian courts.** The courts of Milan have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity.
- (c) **Appropriate forum.** The Issuer and the Noteholder agrees that the courts of Milan are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

24. Contractual Recognition of Bail-In Powers

- (a) By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Bail-in Power by the Relevant Resolution 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 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 Relevant Resolution Authority of such Bail-in Power. Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.
- (b) Upon the Issuer being informed or notified by the Relevant Resolution 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 Noteholders 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 clause.
- (c) The exercise of the Bail-in Power by the Relevant Resolution 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 Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms incorporated in the relevant Member State.
- (d) 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.
- (e) As used in this Condition:

"Bail-in Power" means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer, including (but not limited to) any such laws, regulations, rules or requirements 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, investment firm can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person.

"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 Resolution Power or Bail-in Power from time to time.

"Resolution Power" means any statutory write-down, transfer and/or conversion power existing from time to time under any laws regulations, rules or requirements relating to the resolution of the Issuer, including but not limited to any laws, regulations, rules or requirements implementing the BRRD and/or the SRM Regulation.

ANNEX 1
TO THE TERMS AND CONDITIONS OF THE NOTES
PROVISIONS FOR MEETINGS OF NOTEHOLDERS

Each meeting of Noteholders of a specific Series of Notes under the Programme is governed by these Provisions for Meetings of Noteholders (the "**Provisions for Meetings of Noteholders**").

These Provisions for Meetings of Noteholders shall remain in force and effect until full repayment or cancellation of all the Notes issued under the Programme.

The contents of these Provisions for Meetings of Noteholders are deemed to be an integral part of each Note issued by the Issuer from time to time under the Programme.

The contents of these Provisions for Meetings of Noteholders are subject to any mandatory provisions of Italian law (including, without limitation, those set out in the Financial Services Act).

1. As used in this Annex, the following expressions shall have the following meanings unless the context otherwise requires:
 - (1) "**block voting certificate**" shall mean, with reference to any meeting, a certificate issued by the relevant Euronext Securities Account Holder in accordance with applicable laws and regulations, in which it is stated:
 - (a) that the Blocked Notes (as defined below) have been blocked in an account with the relevant Euronext Securities Account Holder and will not be released until the first to occur of:
 - (1) the conclusion of the meeting or any adjournment thereof; and
 - (2) the surrender of the certificate to the relevant Euronext Securities Account Holder and notification of release thereof to the Issuer; and
 - (b) that the bearer thereof is entitled to attend and vote at such meeting or any adjournment thereof in respect of the Blocked Notes; and
 - (2) "**block voting instruction**" shall mean, in relation to any meeting, a document requested by any Noteholder and issued by the relevant Euronext Securities Account Holder in accordance with applicable laws and regulations, delivered to the Paying Agent, in which:
 - (a) it is certified that certain specified Notes (not being Notes which have already been blocked in an account with the relevant Euronext Securities Account Holder, the "**Blocked Notes**") have been blocked in an account with the relevant Euronext Securities Account Holder and that no such Blocked Notes will be released until the first to occur of:
 - (1) the conclusion of the meeting specified in such document or any adjournment thereof;
 - (2) the surrender to the Paying Agent, not less than 48 hours before the time for which such meeting or adjournment thereof is convened, of the receipt for the Blocked Notes by the Paying Agent to the Issuer;

- (b) it is certified that each holder of such Blocked Notes or a duly authorised agent on his or its behalf has instructed that the vote(s) attributable to his or its Blocked Notes so deposited should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjournment thereof and that all such instructions are during the period of 48 hours prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment;
 - (c) the total number of the Blocked Notes , distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and those in respect of which instructions have been so given to abstain from the resolution; and
 - (d) any named person or persons (each hereinafter called a “**proxy**”) is authorised to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above.
- (3) “**Written Resolution**” means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a meeting in accordance with the provisions of this Annex, whether contained in one document or several documents in the same form, each signed by or on behalf of all such holders of the Notes.
- (4) “**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 place(s) where the Paying Agent(s) has/have its/their principal place of business (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.
- (5) “**48 hours**” means 2 consecutive periods of 24 hours.

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of the relevant Euronext Securities Account Holder and Euronext Securities Milan.

2. A holder of a Note may obtain a block voting certificate from the relevant Euronext Securities Account Holder or require the relevant Euronext Securities Account Holder to issue a block voting instruction in respect of such Note not later than 48 hours before the time fixed for any meeting (or not later than any different period before the date fixed for the relevant meeting which may be prescribed by applicable law). Block voting certificates and block voting instructions shall be valid until the relevant Blocked Notes are released pursuant to paragraph 1 and until then the holder of any such block voting certificate or (as the case may be) the proxy named in any such block voting instruction shall, for all purposes in connection with any meeting of Holders of Notes, be deemed to be the holder of the Notes to which such block voting certificate or block voting instruction relates.
3. The Issuer at any time may and shall upon a request in writing by, in respect of Notes, holders of

Notes holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding, convene a meeting of the Holders of Notes of that Series. All references in this Annex to “**Notes**” and “**Holders of Notes**” shall be to the Notes of the relevant Series and the holders of those Notes, respectively. Whenever the Issuer is about to convene any such meeting, the Issuer shall forthwith give notice in writing to the Paying Agent of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Paying Agent shall approve.

4. At least twenty-one days' notice or any longer period required by mandatory provisions of Italian law (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the day, time and place of meeting shall be given to the holders of Notes. If the Paying Agent is not the Issuer, a copy of the notice shall be given to the Paying Agent by the Issuer. Such notice shall be given in the manner provided in the Conditions and shall specify the terms of the resolutions to be proposed and shall include statements to the effect that Notes may be blocked with the relevant Euronext Securities Account Holder for the purpose of obtaining block voting certificates or appointing proxies not later than the number of days provided for under Italian law.
5. Subject to mandatory provisions of Italian law in relation to meetings of holders of Notes, a person (who may, but need not, be a holder of Notes) nominated in writing by the Issuer shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for the holding of such meeting the holders of Notes present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting needs not to be the same person as was the chairman of the original meeting.
6. Subject to mandatory provisions of Italian law in relation to meetings of holders of Notes, at any such meeting any one or more persons present in person holding Notes or block voting certificates or being proxies or representatives and holding or representing in the aggregate, not less than one-tenth in principal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution (as defined in paragraph 21 below)) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any such meeting convened to vote an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Notes or block voting certificates or being proxies or representatives and holding or representing in the aggregate more than one half of the principal amount of the Notes for the time being outstanding **provided that** at any meeting the business of which includes a Reserved Matter (as defined in paragraph 19 below), the *quorum* shall be one or more persons present holding Notes or block voting certificates or being proxies or representatives and holding or representing in the aggregate not less than three-quarters in principal amount of the Notes for the time being outstanding.
7. If within 30 minutes from the time appointed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of holders of Notes, be dissolved. Subject to mandatory provisions of Italian law in relation to meetings of holders of Notes issued by the Issuer, in any other case, it shall stand adjourned for such period, being not less than fourteen days nor more than forty two days, as may be appointed by the chairman. At such adjourned meeting, one or more persons present in person holding Notes or block voting certificates or being proxies or representatives (whatever the principal amount of the Notes so held or represented by them) shall form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place

had a quorum been present at such meeting **provided that** the quorum at any adjourned meeting at which is to be proposed an Extraordinary Resolution for the purpose of voting on a Reserved Matter shall be one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate at least one-quarter in principal amount of the Notes for the time being outstanding.

8. The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting from which the adjournment took place.
9. At least ten days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as an original meeting and such notice shall state the quorum required at such adjourned meeting. It shall not be necessary to give notice of a meeting adjourned for any other reason.
10. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a holder of Notes or as a holder of a block voting certificate or as a proxy or as a representative.
11. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer, or by one or more persons holding one or more Notes or block voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth part of the principal amount of the Notes for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
12. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
13. Any poll demanded at any meeting on the electing of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
14. The Issuer, the Dealers and any Paying Agent (through their respective representatives), their respective legal advisers and any financial adviser, dealer manager, consent solicitation agent or tabulation agent appointed by the Issuer shall be entitled to attend and speak at any meeting of the holders of Notes. Save as aforesaid, no person shall be entitled to attend or vote at any meeting of the holders of Notes or to join with others in requesting the convening of such a meeting unless he is the holder of a Note or a block voting certificate or is a proxy or representative.
15. Subject as provided in paragraph 14, at any meeting (a) on a show of hands every person who is present in person and produces a Note or a block voting certificate or is a proxy or a representative shall have one vote and (b) on a poll every person who is so present shall have one vote in respect

of each principal amount of Notes equal to the minimum denomination of such Series of Notes. Without prejudice to the obligations of the proxies named in any form of proxy, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

16. The proxy named in any block voting instruction or form of proxy need not be a holder of Notes.
17. Each block voting instruction and each form of proxy, shall be valid only if it is deposited at the Specified Office of the Paying Agent or at some other place approved by the Issuer, at least 48 hours before the time fixed for the relevant meeting or the chairman decides otherwise before the meeting proceeds to business and, in default, the block voting instruction or form of proxy shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each such block voting instruction and satisfactory proof as aforesaid (if applicable) shall if required by the Issuer be produced by the proxy at the meeting or adjourned meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of, or the authority of the proxy named in, any such block voting instruction or form or proxy.
18. Any vote given in accordance with the terms of the block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instructions or form of proxy or of any of the instructions of holders of Notes pursuant to which it was executed, **provided that** no intimation in writing of such revocation or amendment shall have been received by the Paying Agent or the Issuer, in each case not less than 48 hours before the commencement of the meeting or adjourned meeting at which the block voting instruction or form of proxy is used.
19. A meeting of the holders of Notes shall, subject to the provisions contained in the relevant Conditions and any mandatory provisions of Italian law, in addition to the powers hereinbefore given, but without prejudice to any powers conferred on other persons by these presents, have the following powers exercisable only by Extraordinary Resolution namely:
 - (A) power to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the holders of Notes against the Issuer whether such rights shall arise under the Notes or otherwise;
 - (B) power to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, other obligations or securities of the Issuer (where applicable) or any body corporate formed or to be formed;
 - (C) power to assent to any modification of the Conditions (including this Annex) which is proposed by the Issuer;
 - (D) power to waive or authorise any breach or proposed breach by the Issuer of its obligations under the relevant Conditions or any act or omission which might otherwise constitute an event of default under the relevant Conditions;
 - (E) power to authorise the Paying Agent or any other person to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;

- (F) power to give authority, direction or sanction which under the relevant Conditions is required to be given by Extraordinary Resolution; and
- (G) power to appoint any persons (whether or not holders of Notes) as a committee or committees to represent the interests of the holders of Notes and to confer upon such committee or committees any powers or discretions which the holders of Notes could themselves exercise by Extraordinary Resolution.

Subject to mandatory provisions of Italian law in relation to meetings of holders of Notes issued by Banco Desio, the special quorum provisions contained in the proviso to paragraph 6 and, in the case of an adjourned meeting, in the proviso to paragraph 7 shall apply in relation to any Extraordinary Resolution for the purpose of voting on a Reserved Matter.

In this Annex, “**Reserved Matter**” means any proposal to modify the Conditions which:

- (a) amends the dates of maturity or redemption of any of the Notes or any date for payment of interest thereon;
- (b) reduces or cancels the principal amount of the Notes or any amount payable on redemption of the Notes, whether at or prior to their maturity date;
- (c) reduces the rate or rates of interest in respect of the Notes or varies the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof;
- (d) if a Minimum and/or a Maximum Interest Rate is shown in the Final Terms, reduces any such Minimum and/or Maximum;
- (e) changes any method of calculating the Final Redemption Amount or any other Redemption Amount;
- (f) varies the currency or currencies of payment or denomination of the Notes;
- (g) modifies the provisions contained in this Annex concerning the quorum required at any meeting of holders of Notes or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution;
- (h) modifies the provisions which would have the effect of giving any authority, direction or sanction which under the Notes is required to be given pursuant to a meeting of holders of Notes to which the special quorum provisions apply;
- (i) takes any steps which as specified in the relevant Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; or
- (j) amends this definition,

provided that, any modification to the Conditions is subject (to the extent required by applicable laws and regulations) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority with respect to such modification and any variation of the Conditions to give effect to the Benchmark Amendments in accordance with Condition 3 (dd) (*Benchmark Discontinuation*) shall not require the consent or approval of the Noteholders.

20. An Extraordinary Resolution passed at a meeting of the holders of Notes duly convened and held in accordance with this Annex shall be binding upon all the holders of Notes, whether present or not present at such meeting, and upon each of the holders of Notes shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.
21. The expression “**Extraordinary Resolution**” when used in this Annex means a resolution passed at a meeting of the holders of Notes duly convened and held in accordance with the provisions contained herein with a quorum as indicated in paragraph 6 and in case of adjournment in paragraph 7 and by a majority consisting of not less than three-quarters of the votes cast thereon.
22. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the holders of Notes, shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.
23. A Written Resolution shall take effect as if it were an Extraordinary Resolution.
24. All the provisions set out in this Annex as applicable to the meetings of the holders of the Notes are subject to compliance with mandatory provisions of Italian law in force from time to time with respect to meetings of bondholders and financial instruments represented by electronic book-entries.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Unless otherwise specified, the term "Terms and Conditions" or "Conditions" shall refer to the Terms and Conditions of the Notes and any reference to a "Condition" shall be to a Condition under the Terms and Conditions of the Notes.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "EU MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "EU Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.] *(Delete entire paragraph if the prohibition of sales to EEA retail investors is specified to be "Not Applicable" in Part B, paragraph 9(f).)*

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the EU 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. Consequently no key information document required by the EU PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] *(Delete entire paragraph if the prohibition of sales to UK retail investors is specified to be "Not Applicable" in Part B, paragraph 9(g).)*

[EU MiFID II product governance / target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in EU MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]* Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider*

Final Terms dated [●]

- a) Series: [●]
- b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Principal Amount [plus accrued interest from *[insert date]* (*in the case of fungible Notes only, if applicable*)]
6. a) Specified Denominations: [●] [and integral multiples of [●] in excess thereof]
- (as referred to in Condition 3 (*Form, Denomination and Title*))
- (The minimum denomination of Notes is €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount of such currency as at the Issue Date). Senior Non-Preferred Notes must have a minimum denomination of €150,000 (or equivalent) and Subordinated Notes must have a minimum denomination of €200,000 (or equivalent) or, in each of the above cases, such other minimum denominations provided by applicable law from time to time)*
- (Note – where multiple denominations above the minimum denomination are being used, the following sample wording should be followed:*
- "[€100,000 / €150,000 / €200,000] and integral multiples of [€1,000] in excess thereof.")*
- b) Calculation Amount: [●]
- (as referred to in Conditions 8(d) (*Calculation of Interest Amount*) and 10(f) (*Calculation of Interest Amount*))
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*
7. a) Issue Date: [●]
- b) Interest Commencement Date (*if different from the Issue Date*): [Specify/Issue Date/Not Applicable]
- (An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [The Interest Payment Date falling in or nearest to] [●] (*For Floating Rate Notes, specify the Interest Payment Date falling in or nearest to the relevant month and year. Otherwise, specify a date.*)
- (Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable to the issue of Notes by the Issuer, Senior Non-Preferred Notes must have a maturity*

of not less than twelve months and Subordinated Notes must have a minimum maturity of five years.)

(If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the Financial Services and Markets Act 2000 must be available.)

9. Interest Basis:

(as referred to in Conditions 8 (*Fixed Rate Note Provisions*), 10 (*Floating Rate Note Provisions*) and 11 (*Zero Coupon Note Provisions*))

[[●] per cent Fixed Rate [subject to resetting on [the / each] Reset Date]] /
[[Specify Reference Rate] +/- [●] per cent Floating Rate] /
[Fixed to Floating Rate Note Provisions] /
[Floating to Fixed Rate Note Provisions] /
[Zero Coupon]
(further particulars specified in paragraph[s] [14/15/16/17/18/19] below)

10. Change of Interest Basis:

[Applicable (see paragraph [14 (*Fixed to Floating Rate Note Provisions*) / 15 (*Floating to Fixed Rate Note Provisions*)] / Not Applicable)]

(Specify the date when any fixed to floating rate or vice versa change occurs)

11. Redemption/Payment Basis:

[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their principal amount.]/[[●] in case of Zero Coupon Notes]]

12. Put/Call Options:

(as referred to in Conditions 12(c) (*Redemption for regulatory reasons*) to 12(h) (*Redemption due to a MREL Disqualification Event*) and Condition 12(n) (*Clean-up redemption at the option of the Issuer*))

[[Investor Put
(Only relevant in the case of Senior Preferred Notes) /
Issuer Call /
Redemption for regulatory reasons
(Only relevant in the case of Subordinated Notes)]
/
Issuer Call due to MREL Disqualification Event
(Only relevant in the case of Senior Notes) /
Clean-up redemption
(further particulars specified in paragraph[s] [20/21/22/23/24] below)]

	[Not Applicable]
13. Status of the Notes:	[Senior Preferred /Senior Non-Preferred/Subordinated] Notes

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed to Floating Rate Note Provisions (as referred to in Condition 7(b) (<i>Fixed to Floating Rate Note Provisions</i>))	[Applicable. See also paragraphs 16 (<i>Fixed Rate Note Provisions</i>) and 18 (<i>Floating Rate Note Provisions</i>) / Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
a) Switch Option:	[Applicable/Not Applicable]
b) Switch Option Exercise Period:	[(Insert start and end dates or specify maximum and minimum number of days prior to Switch Date. The end date must be at least 15 days prior to the Switch Date) / Not Applicable]
c) Switch Date(s):	[Subject to exercise of the Switch Option] [●] (Delete the reference to the Switch Option if sub-paragraph a) above is not applicable)
15. Floating to Fixed Rate Note Provisions (as referred to in Condition 7(c) (<i>Floating to Fixed Rate Note Provisions</i>))	[Applicable. See also paragraphs 16 (<i>Fixed Rate Note Provisions</i>) and 18 (<i>Floating Rate Note Provisions</i>) / Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
a) Switch Option:	[Applicable/Not Applicable]
b) Switch Option Exercise Period:	[(Insert start and end dates or specify maximum and minimum number of days prior to Switch Date. The end date must be at least 15 days prior to the Switch Date) / Not Applicable]
c) Switch Date(s):	[Subject to exercise of the Switch Option] / [●] (Delete the reference to the Switch Option if sub-paragraph a) above is not applicable)
16. Fixed Rate Note Provisions (as referred to in Condition 8 (<i>Fixed Rate Note Provisions</i>))	[Applicable / [Applicable in respect of the Fixed Rate Interest Period[s] (<i>Only use this wording if the Fixed to Floating or Floating to Fixed Rate Note Provisions apply</i>)] / Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
a) Rate(s) of Interest:	[[●] per cent. <i>per annum</i> [payable [annually/semi-annually/quarterly/monthly] in arrear] / See paragraph 17 (<i>Reset Note Provisions</i>) below]

- b) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Business Day Convention]
(This will need to be amended in the case of any long or short coupons.)
- c) Business Day Convention: [Floating Rate Convention / FRN Convention / Eurodollar Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No adjustment]
- d) Additional Business Centre(s): [Not Applicable / Applicable (*indicate relevant city/cities*)]
- e) Fixed Coupon Amount(s): [●] per Calculation Amount
- f) Broken Amount(s): [[●] per Calculation Amount, payable on [the Interest Payment Date falling in] [●] / Not Applicable]
- g) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365(Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

17. Reset Note Provisions

[Applicable / Not Applicable]

(If not applicable, delete the remaining text of this sub-paragraph)

- a) Initial Rate of Interest: [●] per cent *per annum* [payable [annually/semi-annually/quarterly/monthly] in arrear]
- b) First Margin: [+/-][●] per cent *per annum*
- c) Subsequent Margin: [[+/-][●] per cent *per annum*] [Not Applicable]
- d) First Reset Date: [●]
- e) Second Reset Date: [●]/[Not Applicable]
- f) Subsequent Reset Date(s): [●] [and [●]]/[Not Applicable]
- g) Relevant Screen Page: [●]/[Not Applicable]
- h) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- i) Mid-Swap Maturity: [●]
- j) Mid-Swap Reference Rate: [EURIBOR / other / Not Applicable] (*Specify EURIBOR if the Specified Currency is Euro*)

- k) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Paying Agent):
- [[Name] shall be the Calculation Agent / Not Applicable]
- (Specify "Not Applicable" if the Paying Agent is to perform this function)*

18. Floating Rate Note Provisions

(as referred to in Condition 10 (*Floating Rate Note Provisions*))

[Applicable / [Applicable in respect of the Floating Rate Interest Period[s] (*Only use this wording if the Fixed to Floating or Floating to Fixed Rate Note Provisions apply*)] / Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph.)

- a) Specified Period(s):
- [Not Applicable / (*Specify period*)]
- ("Specified Period" and "Interest Payment Dates" are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- b) Interest Payment Dates:
- [Not Applicable / (*Specify dates*)]
- ("Specified Period" and "Interest Payment Dates" are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable". Otherwise, specify the dates.)*
- c) Business Day Convention:
- [Floating Rate Convention / FRN Convention / Eurodollar Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No adjustment]
- d) Additional Business Centre(s):
- [Not Applicable / Applicable (*indicate relevant city/cities*)]
- e) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Paying Agent):
- [[Name] shall be the Calculation Agent / Not Applicable]
- (Specify "Not Applicable" if the Paying Agent is to perform this function)*
- f) Screen Rate Determination:
- Reference Rate:
 - Relevant Screen Page:
- [Specify reference rate. For example, EURIBOR or CMS Rate]
- [Specify screen page. For example, Reuters page EURIBOR01]

	(Where the CMS Rate is the Reference Rate, specify relevant screen page and any applicable headings and captions)
- Interest Determination Date(s):	[●] (Where the CMS Rate is the Reference Rate and the Reference Currency is euro): [Second day on which the T2 System is open prior to the start of each Interest Period] (Where the CMS Rate is the Reference Rate and the Reference Currency is other than euro): [Second [specify type of day] prior to the start of each Interest Period]
- Relevant Time:	[For example, 11.00 a.m. London time/Brussels time]
- Relevant Financial Centre:	[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
- [Reference Currency:] (only relevant where the CMS Rate is the Reference Rate)	[●]
- [Designated Maturity:] (only relevant where the CMS Rate is the Reference Rate)	[●]
- Provisions relating to the occurrence of a MREL Disqualification Event or a Regulatory Event in case of a Benchmark Event:	[Applicable upon the occurrence of a [MREL Disqualification Event / Regulatory Event]/Not Applicable]
g) Margin(s):	[+/-][●] per cent. <i>per annum</i>
h) Minimum Rate of Interest:	[Not Applicable]/[●] per cent. <i>per annum</i>
i) Maximum Rate of Interest:	[Not Applicable]/[●] per cent. <i>per annum</i>
j) Day Count Fraction:	[30E/360]/[Eurobond Basis]/ [Actual/Actual (ICMA)]/ [Actual/365]/[Actual/Actual (ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360 (ISDA)]
19. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(as referred to in Condition 11 (Zero Coupon Note Provisions))	(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- | | | |
|----|---------------------|---|
| a) | Accrual Yield: | [●] per cent. <i>per annum</i> |
| b) | Reference Price: | [●] |
| c) | Day Count Fraction: | [Actual/Actual (ICMA)]/
[Actual/365]/[Actual/Actual (ISDA)]/
[Actual/365(Fixed)]/
[Actual/360]/
[30/360]/[360/360]/[Bond Basis]/
[30E/360]/[Eurobond Basis]/
[30E/360 (ISDA)] |

PROVISIONS RELATING TO REDEMPTION

- | | |
|---|--|
| 20. Call Option | [Applicable/Not Applicable] |
| (as referred to in Condition 12(d)
(<i>Redemption at the option of the Issuer</i>)) | <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| a) Optional Redemption Date(s)
(Call): | [●]

<i>(If the Notes are Subordinated Notes, the Optional Redemption Date (Call) must not be earlier than five years after the Issue Date.)</i> |
| b) Optional Redemption Amount(s)
(Call) and method, if any, of
calculation of such amount(s): | [●] per Calculation Amount |
| c) If redeemable in part: | |
| Minimum Redemption Amount: | [●] per Calculation Amount |
| Maximum Redemption Amount: | [●] per Calculation Amount |
| d) Notice period (if other than as set
out in Condition 12(d)): | [Not less than [●] nor more than [●] days / Not Applicable] |
| 21. Regulatory Call | [Condition 12(c) is applicable/Not Applicable] |
| (as referred to in Condition 12(c)
(<i>Redemption for regulatory reasons</i>)) | <i>(If the Notes are not Subordinated Notes, insert "Not Applicable".)</i> |
| 22. Put Option | [Applicable/Not Applicable] |
| (as referred to in Condition 12(f)
(<i>Redemption at the option of
Noteholders</i>)) | <i>(If the Notes are Senior Non-Preferred Notes or Subordinated Notes, insert "Not Applicable". If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i> |
| a) Optional Redemption Date(s)
(Put): | [●] |
| b) Optional Redemption Amount(s)
(Put) and method, if any, of
calculation of such amount(s): | [●] per Calculation Amount |

c)	Notice period (if other than as set out in Condition 12(f)):	[Not less than [●] nor more than [●] days/Not Applicable]
		<i>(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent.)</i>
23. Issuer Call due to MREL Disqualification Event:		[Applicable]/[Not Applicable]
	(as referred to in Condition 12(h) (<i>Redemption due to a MREL Disqualification Event</i>))	<i>(Only relevant in the case of Senior Notes)</i>
a)	Notice period:	Minimum period: [●] days
		Maximum period: [●] days]
		<i>(Not less than the minimum nor more than maximum period of notice has to be given to the Paying Agent and, in accordance with Condition 20 (Notices), the Noteholders)</i>
		<i>(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)</i>
b)	Early Redemption Amount:	[●] per Calculation Amount/[●]
24. Clean-up Redemption		[Applicable/Not Applicable]
	(as referred to in Condition 12(n) (<i>Clean-up redemption at the option f the Issuer</i>))	<i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
a)	Relevant threshold:	[75 per cent. / [●] per cent.]
b)	Redemption Amount and method, if any, of calculation of such amount(s):	[●] per Calculation Amount / [●]
25. Early Redemption Amount / Early Termination Amount		
	Early Redemption Amount(s) of each Note payable on redemption for taxation or regulatory reasons or Early Termination Amount on event of default and/or the method of calculating the same (if	[Not Applicable / [●] per Calculation Amount]
		<i>(Select "Not Applicable" if the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory Event) and the Early Termination Amount are the principal amount of the Notes. Otherwise, specify the Early Redemption Amount</i>

required or if different from that set out in the Conditions):

(as referred to in Conditions 12(b) (*Redemption for tax reasons*) and 12(c) (*Redemption for regulatory reasons*) and 15 (*Events of Default*))

(Tax) and/or Early Redemption Amount (Regulatory Event) and/or the Early Termination Amount if different from the principal amount of the Notes)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

(as referred to in the definition of "Payment Business Day" in Condition 2(a) (*Definitions*) and described in Condition 13(c) (*Payments on business days*))

[Not Applicable/*indicate relevant city/cities*]

(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(d) and 17(d) relate.)

27. Variation for an Alignment Event:

[Applicable/Not Applicable]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- a) Listing: [Official List of Euronext Dublin / [Official List of Borsa Italiana] / [●] (*specify other place of listing*) / Not Applicable]
- b) Admission to trading: [Application has been made for the Notes to be admitted to trading on the [regulated market of Euronext Dublin / Electronic Bond Market (*Mercato Telematico Obbligazionario*) of Borsa Italiana S.p.A. / [●] (*specify other securities market*)] with effect from [●]] / [Not Applicable.]
- [The Existing Notes are already admitted to trading on the [regulated market of Euronext Dublin/ [●]] (*specify other securities market*).] (*Insert wording in this second sub-paragraph only if the Notes are fungible with an existing Series and are admitted to trading on a securities market.*)
- c) Estimate of total expenses related to admission to trading: [*Specify amount*] / [Not Applicable] (*Specify "Not Applicable" only if the Notes are not being admitted to trading on any EEA regulated market.*)
- d) Date of admission to trading: [●]

2. RATINGS

- Ratings: The Notes to be issued [[have been]/[are expected]/[are not expected]] to be rated:
- [Fitch Ratings Ireland Limited] / [S&P Global Ratings Europe Limited]
- [Other: [●]]
- (*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*)
- (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)
- Option 1 – CRA established in the EEA and registered under the EU CRA Regulation**
- [*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered

credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>].

Option 2 – CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority]. [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>].

Option 3 – CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation"). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>].

Option 4 – CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but the rating it has given to the Notes to be issued under the Programme is endorsed by [[*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation")].

Option 5 – CRA not established in the EEA and relevant rating is not endorsed under the EU CRA Regulation but is certified under the EU CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but is certified under [Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation")].

Option 6 – CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

3. AUTHORISATIONS

[Date [Board] approval for issuance of [●] [and [●], respectively]]
Notes obtained:

(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Not Applicable / *(give details)*]

(Need to include a description of any interests, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save for any fees payable to the Dealers and save as discussed in the section of the Base Prospectus entitled "Potential Conflict of Interests" under the "General Information" section, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue of the Notes. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business."

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)

5. YIELD

Indication of yield: [Not Applicable / *(Insert percentage)*]

(State "Not Applicable" if the Notes are not Fixed Rate Notes.)

6. PERFORMANCE OF RATES (Floating Rate Notes)

[Details of performance of [EURIBOR/ /CMS Rate/] rates can be obtained, [but not] free of charge, from [Reuters/Bloomberg/*give details of electronic means of obtaining the details of performance*].] [Not Applicable]

7. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

a) Reasons for the offer: [General funding purposes]/[●]/[The Notes constitute Green Bonds and an amount equal or equivalent to the proceeds will be used to finance and/or refinance, in whole or in part, new or existing Green Eligible Projects]

as described in the [relevant annex of the] Green Bond Framework, which is available on the website of the Issuer:

[\[https://www.bancodesio.it/sites/default/files/Green_Bond_Framework_luglio_2024_0.pdf\]](https://www.bancodesio.it/sites/default/files/Green_Bond_Framework_luglio_2024_0.pdf)

(If the Notes are Green Bonds, describe the relevant projects to which the net proceeds of the Notes will be applied or make reference to the relevant bond framework to which the net proceeds of the Notes will be applied.)

(Applicable only in the case of securities to be classified as Green Bonds. If not applicable, delete this paragraph.)

[(See "Use of Proceeds" wording in Base Prospectus)]

b) Estimated net proceeds: [●]

(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

8. THIRD PARTY INFORMATION

[Not Applicable / [●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

9. DISTRIBUTION

- | | | |
|----|---|--|
| a) | Method of distribution: | [Syndicated/Non-syndicated] |
| b) | If syndicated, names of Managers: | [Not applicable/ <i>give names</i>] |
| c) | Name of Stabilisation Manager(s) (if any): | [Not Applicable/ <i>give name</i>] |
| d) | If non-syndicated, name of Dealer: | [Not applicable/ <i>give name</i>] |
| e) | U.S. selling restrictions: | Reg. S compliance category [1 / 2 / 3] |
| f) | Prohibition of Sales to EEA Retail Investors: | [Applicable]/[Not Applicable] |
| g) | Prohibition of Sales to UK Retail Investors: | [Applicable]/[Not Applicable] |

10. BENCHMARKS

Amounts payable under the Notes will be calculated by reference to [EURIBOR/CMS Rate] which is provided by [ICE Benchmark Administration. European Money Markets Institute/specify other]. As at [insert date] [ICE

Benchmark Administration. European Money Markets Institute/specify other], [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) No. 2016/1011) (the "BMR").

[As far as the Issuer is aware, [●] [does/do] not fall within the scope of the BMR by virtue of article 2 of that regulation] / [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [●] is not currently required to obtain recognition, endorsement or equivalence.]

11. OPERATIONAL INFORMATION

ISIN:	[●]
CFI:	[[include code], as updated, as set out on] the website of the Association of National Numbering Agencies [("ANNA")] or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN	[[include code], as updated, as set out on] the website of [ANNA / the Association of National Numbering Agencies] or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
[Common Code:]	[●]
Delivery	Delivery [against/free of] payment
Any clearing system(s) other than Euronext Securities Milan, Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/give name(s), address(es) and number(s)]
Names and Specified Office of Paying Agent (if different from the Issuer) and of additional Paying Agent(s) (if any):	[Not Applicable/give name(s) and address(es)]

USE OF PROCEEDS

The net proceeds from the issues of each Series (or Tranche) of Notes will (as specified in the relevant Final Terms) be used by the Issuer either:

- in connection with the general funding purposes of the Desio Group; or
- in the case of Green Bonds, in an amount equal or equivalent to the net proceeds, to finance and/or refinance, in whole or in part, new or existing eligible green assets or investments in eligible green assets (the “**Green Eligible Projects**”), as described in the relevant Final Terms and in the Issuer’s green bond framework dated 18 July 2024, including the annex entitled “*Eligible projects*” (the “**Annex**”), (as amended and supplemented from time to time, the “**Green Bond Framework**”), and meeting the Eligibility Criteria (as defined below), such Notes being referred to as “**Green Bonds**”; or
- as otherwise provided under the relevant Final Terms.

In relation to Green Bonds, the Issuer’s Green Bond Framework, lastly published on 18 July 2024, is based on the “*Green Bond Principles*” published by the International Capital Markets Association (ICMA) in its 2021 edition (the “**Green Bond Principles**”) and is available on the website of the Issuer (https://www.bancodesio.it/sites/default/files/Green_Bond_Framework_luglio_2024_0.pdf).

The Issuer’s Green Bond Framework may be further updated or expanded to reflect updates to the Green Bond Principles and evolutions in the activities of the Desio Group. The Green Bond Framework sets out categories of Green Eligible Projects which have been identified by the Desio Group as part of priority activity sectors within the context of climate change mitigation.

“**Eligibility Criteria**” means the criteria prepared by the Issuer as set out in the Green Bond Framework and in the Annex, as may be amended, supplemented or replaced before the issuance of the relevant Notes; accordingly, the net proceeds of each issue of a Tranche of Notes will be used to finance or refinance, in whole or in part, any asset or investment related to: “green” buildings; installation of renewable energy technologies; installation of technologies for improving and managing the energy performance of buildings and charging stations for electric vehicles; transport by passenger cars and light commercial vehicles; infrastructure enabling low-carbon road transport and public transport; power generation by renewable energy technologies (solar photovoltaic, concentrating solar power, wind, ocean, hydroelectric, geothermal); power generation from renewable non-fossil liquid and gaseous non-fossil renewable fuels and bioenergy and power distribution/transmission; district heating/cooling distribution; transmission and distribution networks for renewable and low-carbon gases; manufacture of batteries and components for transportation, energy storage and other industrial applications; and research, development and innovation of solutions, processes, technologies, business models and other products dedicated to climate change adaptation.

In accordance with the Green Bond Framework:

- The net proceeds of each issue of a Tranche of Notes will not be used to finance or refinance any asset or investment related to: controversial weapons; non-medical genetic engineering; pornography; money laundering; violation of animal welfare; gambling; use of hazardous materials; international prohibitions; cannabis sativa light.
- An activity can be included in the Green Eligible Projects if it complies with technical screening criteria of substantial contribution to the climate change mitigation objective set out under the EU Taxonomy Regulation.
- The Issuer’s “*Asset and Liability Management Committee*” (being the management committee of the Issuer responsible for the Issuer’s funding plan) oversees the management of the principles and guidelines of selection and assessment of the Green Eligible Projects (the “**ALM Committee**”)

is chaired by the Chief Executive Officer of the Issuer and includes the highest representatives of the corporate functions directly involved in the management process in respect of the Green Bond Framework (being “*Credit*”, “*Commercial*”, “*Finance*” and “*Accounting & Sustainability*”). As better described in the Green Bond Framework, the ALM Committee is responsible for the processes of selecting and evaluating Green Eligible Projects, as well as responsible for reviewing and updating the Green Bond Framework itself. The ALM Committee is also responsible, *inter alia*, for: (i) monitoring, validating and reviewing the relevant Green Eligible Projects; (ii) reviewing and approving the Issuer’s “*Green Bond Report*”; and (iii) assessing the impacts arising from the selected Green Eligible Projects. All net proceeds will be monitored and tracked through an internal Group information system;

- Pending allocations and reallocations of net proceeds against Green Eligible Projects, depending on the cases that arise, the Group will invest the balance of proceeds from the issuance of Green Bonds at its discretionary judgment, according to the ESG framework for responsible investments and exclusion criteria reported in the Green Bond Framework.
- The Issuer will publish,
 - (A) on an annual basis and until the proceeds of the relevant Green Bonds are fully allocated (i) the report on allocation of proceeds raised through the issuance of Green Bonds along with (ii) an “*impact report*” on the activities financed by such Green Bonds;
 - (B) within one year from the issuance of the relevant Green Bonds and on an annual basis, until the proceeds of the relevant Green Bonds are fully allocated, an “*Allocation Report*”, including: (i) the total amount of net proceeds raised through the issuance of Green Bonds; (ii) the total amount of net proceeds of the relevant Green Bonds allocated to Green Eligible Projects; (iii) the amount of the proceeds not allocated on such Green Eligible Projects (if any); (iv) the share of refinanced assets; (v) a breakdown of the total amount of Green Eligible Projects by category; (vi) a brief description of the category of the relevant Green Eligible Projects; and (vii) a mapping of the relevant underlying assets to the relevant UN SDGs; and
 - (C) on an annual basis, detailed information on the environmental impacts related to the activities financed with Green Bonds’ proceeds (“*Impact Reporting*”).

The Issuer has appointed ISS Corporate Solutions Inc. to provide second party opinions (the “**Second Party Opinions**”) on, respectively, the Green Bond Framework and on any annex applicable from time to time (including the Annex), assessing their respective alignment with the Green Bond Principles as applicable, and the categories of the Eligibility Criteria, including whether the project categories under the Green Bond Framework contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs)).

These Second Party Opinions will be available on the website of the Issuer (the current one being available at the following link:

https://www.bancodesio.it/sites/default/files/Second_Party_Opinion_luglio_2024_english_version.pdf).

Furthermore, all documents published by the Issuer and Desio Group to address the reporting requirements related to the issuance of Green Bonds will be subject to limited assurance by an external auditor.

DESCRIPTION OF THE ISSUER

1. HISTORY AND DEVELOPMENT OF THE ISSUER

As at the date of this Base Prospectus, the Issuer was the parent company of the Desio Group.

The Issuer was founded on 4 August 1909.

Company name

The Issuer's company name is Banco di Desio e della Brianza S.p.A.

Place of registration of the Issuer and its registration number

The Issuer is registered at the Companies Registry of Milan Monza Brianza Lodi, Italy, at entry No. 01181770155. The Issuer is also on the Register of Banks held by the Bank of Italy at entry No. 3440.5.

Date of incorporation and length of life of the Issuer, except where indefinite

The Issuer is a joint-stock company incorporated by deed of Mr. Innocente Arnaboldi, Notary public, with Record No. 4503/6221 of 4 August 1909. The Issuer was originally incorporated as a "*società commerciale cooperativa in nome collettivo*" named "Cassa Rurale di Desio", and was turned into a "*società anonima cooperativa a capitale illimitato*" named "Cassa Rurale di Depositi e Prestiti in Desio" by a resolution of the extraordinary shareholders' meeting on 20 December 1920. Subsequently, the Issuer was turned into a "*società anonima*" named "*Banco di Desio*" by a resolution of the extraordinary shareholders' meeting on 21 March 1926, and acquired the current corporate name "Banco di Desio e della Brianza – Società per Azioni" on 31 December 1967, upon the merger with "Banca della Brianza S.p.A.".

The Issuer is the parent company of the "Gruppo Banco di Desio e della Brianza" (Desio Group or Banco Desio Group).

The duration of the Issuer is set, pursuant to Article 3 of its Articles of Association, up to 31 December 2100 and may be extended.

Domicile and legal form of the Issuer, legislation under which the Issuer operates, its country of incorporation, website address and address and telephone number of its registered office

Banco Desio is a joint-stock company incorporated in Desio, Italy and operating under Italian law. The address of the Issuer's registered office is Via Rovagnati, 1, Desio, Italy, phone +39 0362 6131.

Declaration of the Financial Reporting Manager

The Financial Reporting Manager of the Issuer, Mauro Walter Colombo, declares pursuant to paragraph 2 of Article 154-bis of the Financial Law Consolidated Act that the accounting information contained in this Base Prospectus agrees with the supporting documents, books of account and accounting records.

Credit ratings

As at the date of this Base Prospectus the Issuer is rated "BBB-" (long-term issuer default rating) and "F3" (short-term issuer default rating) by Fitch and "BBB-" (long-term issuer default rating) and "A-3" (short-term issuer default rating) by S&P.

2. BUSINESS OVERVIEW

A brief description of the Issuer's principal activities and principal categories of products sold and/or services provided

A) Credit intermediation activities

Within credit intermediation, the Issuer's operations consist of funding and lending from and to retail, corporate and private banking customers, as well as from and to banks.

The Issuer has diversified the range of financial products it supplies, making them fit to meet the customers' specific requirements. The Bank's traditional customers are mainly individuals and households and small and medium-sized enterprises.

The Issuer's bond with the main areas of operations, as well as the quality of the products and services it provides, have led to significant customer retention.

As at 30 June 2025, the Bank's consolidated funding, including funding from banks, came to Euro 16,357,927 thousand (Euro 16,664,203 thousand as at 31 December 2024 and Euro 16,795,988 thousand as at 31 December 2023), of which Euro 15,648,688 thousand (equal to 95.7%) from customers and Euro 709,239 thousand (equal to 4.3%) from banks.

As at 30 June 2025, the Bank's consolidated loan portfolio, including loans to banks and excluding debt securities, came to Euro 12,699,544 thousand (Euro 12,438,876 thousand as at 31 December 2024 and Euro 11,997,444 thousand as at 31 December 2023), of which loans to customers accounted for Euro 12,253,807 thousand and loans to banks for Euro 445,737 thousand.

Funding from customers

The Issuer's direct funding is made through current accounts, bonds, repurchase agreements, saving deposits and deposit certificates. Short-term funding is mainly current accounts, while a significant portion of medium- and long-term funding consists of bonds. The following table shows the breakdown by technical form of the Issuer's consolidated direct funding as at 30 June 2025, 31 December 2024 and 31 December 2023.

(Data in Euro/000)	30 June 2025 (1)	31 December 2024 (2)	31 December 2023 (3)
<i>Current accounts and demand deposits</i>	9,949,232	10,126,755	10,116,726
<i>Saving deposits</i>	882,316	852,818	1,012,693
<i>Repurchase agreements</i>	733,752	1,207,009	607,637
<i>Mortgages with Cassa Depositi e Prestiti</i>	787,853	743,304	493,688
<i>Leasing debts</i>	58,400	58,315	58,693
<i>Other payables</i>	282,951	292,456	199,581(4)
Due to customers	12,694,504	13,280,657	12,489,018 (4)
<i>Bonds</i>	2,954,160	2,584,824	2,280,095 (4)
<i>Other securities (deposit certificates)</i>	24	49	353
Debt securities in issue	2,954,184	2,584,873	2,280,448 (4)
<i>Bonds measured at fair value</i>	0	0	0
Financial liabilities designated at fair value through profit and loss	0	0	0
Total Funding from customers	15,648,688	15,865,530	14,769,466 (4)

(1) Figures from the half-yearly 2025 unaudited consolidated financial statements of the Issuer.

(2) Figures from the 2024 audited consolidated financial statements of the Issuer.

(3) Figures from the 2023 audited consolidated financial statements of the Issuer.

(4) Reclassified data in 2024 audited consolidated financial statements of the Issuer.

Funding from banks

The Bank carries out intermediation activities with Italian and non-Italian banks, based on its requirements.

The following table shows the breakdown by technical form of data relating to the Issuer's consolidated funding from banks, as at 30 June 2025, 31 December 2024 and 31 December 2023.

(Data in Euro/000)	30 June 2025 (1)	31 December 2024 (2)	31 December 2023 (3)
<i>Current accounts and demand deposits</i>	15,581	17,268	25,388
<i>Saving deposits</i>	0	0	0
<i>Other loans (Long Term Repo)</i>	420,256	465,525	445,232
<i>Other payables</i>	273,402	315,880	76,457 (4)
Due to banks	709,239	798,673	547,077 (4)
Due to central banks	0	0	1,479,445
Total Funding from banks	709,239	798,673	2,026,522 (4)

(1) Figures from the half-yearly 2025 unaudited consolidated financial statements of the Issuer.

(2) Figures from the 2024 audited consolidated financial statements of the Issuer.

(3) Figures from the 2023 audited consolidated financial statements of the Issuer

(4) Reclassified data in 2024 audited consolidated financial statements of the Issuer.

Loans to Customers

The Issuer's consolidated loan portfolio is composed of short-term and medium-/long-term cash loans. The Issuer's Customers mainly belong to the retail segment. Loans to customers, excluding debt securities, came to Euro 12,253,807 thousand as at 30 June 2025, from Euro 12,036,529 thousand as at 31 December 2024 and Euro 11,653,626 thousand as at 31 December 2023.

The following table shows the breakdown by technical form of consolidated data relating to the Issuer's loans to customers, as at 30 June 2025, 31 December 2024 and 31 December 2023.

(Data in Euro/000)	30 June 2025 (1)	31 December 2024 (2)	31 December 2023 (3)
<i>Current accounts</i>	961,986	897,877	871,119
<i>Repurchase agreements</i>	148,394	0	0
<i>Mortgage loans</i>	7,555,902	7,697,096	7,982,462
<i>Credit cards, personal loans and assignments of one-fifth of salary</i>	2,170,014	1,958,913	1,430,968

<i>Finance leases</i>	<i>154,957</i>	<i>151,508</i>	<i>149,843</i>
<i>Factoring</i>	<i>79,818</i>	<i>88,675</i>	<i>92,218</i>
<i>Other loans</i>	<i>982,262</i>	<i>1,047,763</i>	<i>923,346</i>
<i>Impaired assets</i>	<i>200,474</i>	<i>194,697</i>	<i>203,670</i>
Loans	12,253,807	12,036,529	11,653,626
Debt securities	2,455,751	2,476,112	2,371,588
Total Loans to customers	14,709,558	14,512,641	14,025,214

(1) Figures from the half-yearly 2025 unaudited consolidated financial statements of the Issuer.

(2) Figures from the 2024 audited consolidated financial statements of the Issuer.

(3) Figures from the 2023 audited consolidated financial statements of the Issuer.

Loans to banks

The following table shows the breakdown by technical form of consolidated data relating to the Bank's loans to banks, as at 30 June 2025, 31 December 2024 and 31 December 2023.

(Data in Euro/000)	30 June 2025 (1)	31 December 2024 (2)	31 December 2023 (3)
<i>Restricted deposits</i>	<i>11,968</i>	<i>12,048</i>	<i>26,521</i>
<i>Other loans</i>	<i>273,993</i>	<i>237,403</i>	<i>208,250</i>
Due from banks	285,961	249,451	234,771
<i>Compulsory reserve</i>	<i>109,178</i>	<i>104,239</i>	<i>58,568</i>
Due from central banks	109,178	104,239	58,568
Debt securities	637,490	601,843	569,595
Total Loans to banks	1,032,629	955,533	862,934

(1) Figures from the half-yearly 2025 unaudited consolidated financial statements of the Issuer.

(2) Figures from the 2024 audited consolidated financial statements of the Issuer.

(3) Figures from the 2023 audited consolidated financial statements of the Issuer.

B) Financial intermediation activities

The Issuer may carry out proprietary trading and trading on behalf of customers in financial markets. In this way, the Issuer simultaneously pursues two objectives, that is to say, effective financial planning in management and optimisation of financial risks associated with the money markets, currency and bond portfolios, as well as effectiveness of service to its network and, therefore, to its customers. The Issuer also operates in selling derivative products to hedge customers' interest rate and exchange rate risks, as well as in trading of exchanges on behalf of customers.

C) Indirect funding

The Issuer operates in the sector of assets under management with a wide range of products and services including securities asset management and collective investment schemes mainly through the provision of advisory services and execution of orders on behalf of clients, as well as through portfolio management. Moreover, the Issuer distributes life insurance policies.

As at 30 June 2025, the Issuer's consolidated indirect funding came to Euro 22,914,295 thousand,

accounting for 59.5% of total funding and increasing by Euro 379,814 thousand (up by 1.7%) from Euro 22,534,481 thousand as at 31 December 2024; the value as at 31 December 2024 increasing by Euro 2,459,274 thousand (up by 12.30%) from Euro 20,075,207 thousand as at 31 December 2023.

The following table shows the data relating to the Bank's indirect funding, for both assets under management and under administration, as at 30 June 2025, 31 December 2024 and 31 December 2023.

(Data in Euro/000)	30 June 2025 (1)	31 December 2024 (2)	31 December 2023 (3)
<i>Assets under administration</i>	<i>5,557,909</i>	<i>5,387,484</i>	<i>4,541,442</i>
<i>Assets under management</i>	<i>9,143,109</i>	<i>9,008,576</i>	<i>8,142,227</i>
Ordinary customer deposits	14,701,018	14,396,060	12,683,669
Institutional customer deposits	8,213,277	8,138,421	7,391,538
Total Indirect deposits	22,914,295	22,534,481	20,075,207

(1) Figures from the half-yearly 2025 unaudited consolidated financial statements of the Issuer.

(2) Figures from the 2024 audited consolidated financial statements of the Issuer.

(3) Figures from the 2023 audited consolidated financial statements of the Issuer.

D) Leasing, factoring and bancassurance

The Issuer provides its customers with so-called "*parabanking*" products and services, such as leasing agreements and (only towards public administration) factoring contracts, as well as insurance products through cooperation agreements with the following specialised intermediaries.

Leasing

Alba Leasing S.p.A.

Factoring (only towards public administrations)

Banca Sistema S.p.A.

Bancassurance (Life and non-life)

Helvetia Vita S.p.A., Helvetia Italia Assicurazioni S.p.A., Italiana Assicurazioni (Gruppo Reale Mutua), Net Insurance S.p.A., Net Insurance Life S.p.A., Coface Italia Rappresentanza Generale per l'Italia, AIG Europe Rappresentanza Generale per l'Italia, REVO Insurance S.p.A..

E) Distribution network

The Issuer provides services through a complex and integrated multichannel network. As at 30 June 2025, this network consisted of the following channels:

- 276 branches
- 69 financial consultants
- 73 employees of Fides S.p.A. (consumer credit market)

Indication of new products and/or new services, if significant

The Issuer has not introduced any products that are not included in categories usually marketed and amount to a significant contribution to profit margins.

Principal markets

As at 30 June 2025, the Desio Group was operating in the North of Italy and in Central Italy.

Region	N. of branches
Lombardy	101
Piedmont	14
Liguria	20
Emilia Romagna	15
Veneto	13
Northern Italy	163
Tuscany	15
Umbria	41
Marche	10
Abruzzo	2
Lazio	34
Central Italy	102
Sardinia	11
TOTAL	276

As at 30 June 2025, the workforce consisted of 2,393 employees of the Issuer and of 2,466 employees of the Desio Group.

3. ORGANISATIONAL STRUCTURE

Brief description of the Desio Group of which the Issuer is part and of the Issuer's position within the Desio Group

As of the date of this Base Prospectus, the Desio Group is comprised of the following companies:

- *Non-Bank Parent Company:*
Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A.
- *Parent Company:*
Banco di Desio e della Brianza S.p.A.
- *Companies belonging to the Desio Group:*
Fides S.p.A.
Desio OBG S.r.l.
Dynamica Retail S.p.A.
Dynamica Retail Agenzia in Attività Finanziaria S.r.l. – Controlled indirectly by Banco Desio and wholly owned directly by Dynamica Retail S.p.A..

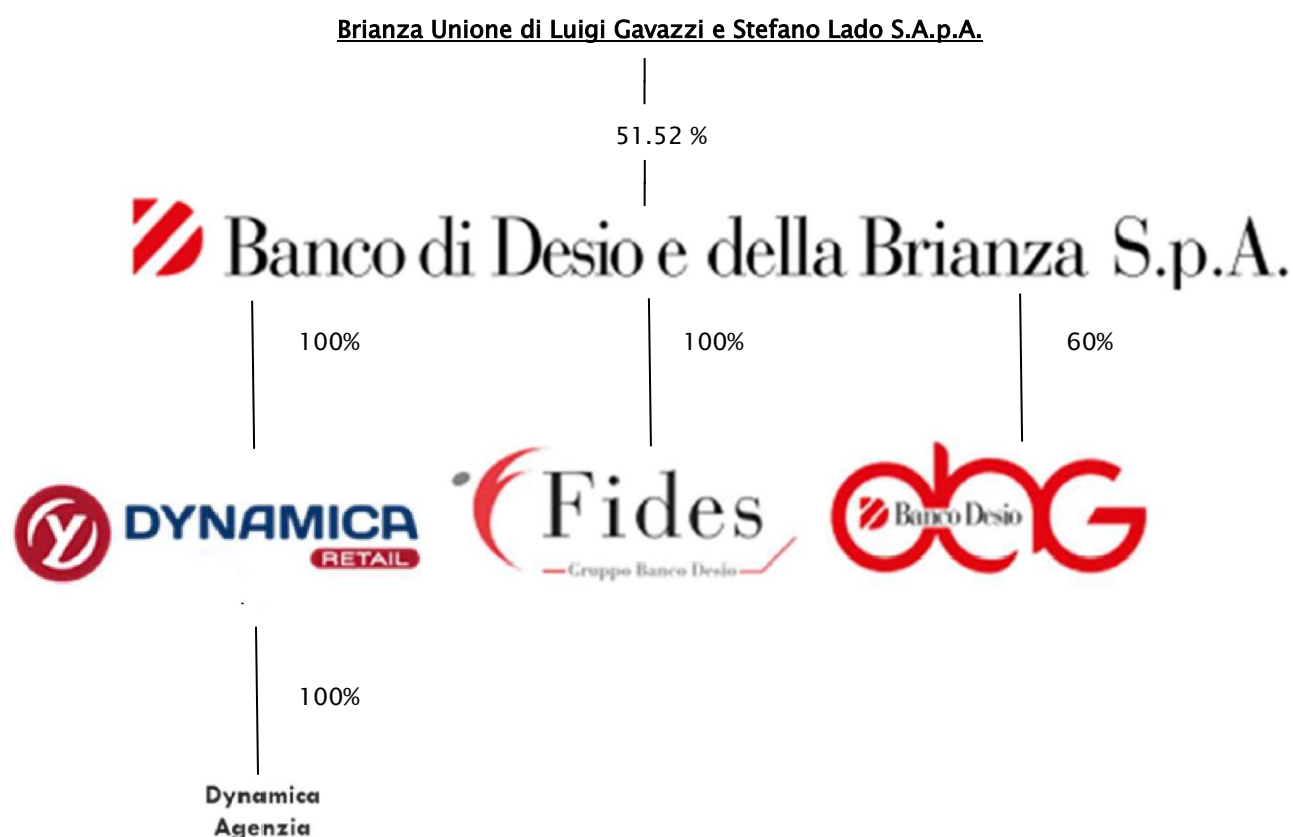
The Issuer's dependence upon other entities within the Desio Group of which it is part of

The Issuer does not depend on any other entity within the Desio Group (nor is it subject to any

management and coordination by its parent company (Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A.).

Brief description of the Desio Group of which the Issuer is the Parent Company

An organisational chart showing the structure of the voting capital of the Desio Group as at the date of approval of this Base Prospectus is given below.



The Group has initiated a merger project by incorporation of Dynamica Retail S.p.A. into Fides S.p.A., which is expected to take legal effect from 1 December 2025.

4. INFORMATION ON EXPECTED TRENDS

Negative changes in the Issuer's prospects

After publication of the Desio Group's latest Annual Report and Consolidated Financial Statements as at 31 December 2024, which were subjected to audit, no substantial negative changes in the Desio Group's prospects have occurred.

Trends, uncertainties, claims, commitments or known facts that could generate impacts on the Issuer's prospects

Among the main factors of uncertainty that could affect the future scenarios in which the Banco Desio Group will find itself operating, the negative effects on the global and Italian economy directly or indirectly linked to the persistence of geopolitical tensions and war conflicts (particularly in Europe and the Middle East) must not be underestimated, which increase the risks of a context of escalation of trade wars, still high interest rates, tensions in the supply chains of strategic raw materials and high prices.

The Group analysed the evaluation aspects in alignment with the indications of the various regulators, taking into account the indications contained in the documents published by various international

institutions (ESMA, EBA, BCE-SSM, IFRS Foundation), aiming to achieve a balance between the need to avoid excessively pro-cyclical hypotheses in the models used to estimate expected credit losses and the need to ensure that the risks related to the macroeconomic context to which the Group is (or will be) exposed are adequately reflected in the accounting and prudential assessments.

The content of the explanatory notes takes account of the instructions contained in 8th update dated 17 November 2022 of the Bank of Italy's Circular 262 "*Banks' financial statements: layout and preparation*", the ESMA document "*European common enforcement priorities for 2024 corporate reporting*" of 27 October 2024, as well as in Consob Attention Call No. 2/24 "Climate Disclosure in Financial Statements" of 20 December 2024.

Further information are available on the Issuer's website: <https://www.bancodesio.it/en/investor-relations/yearly-interim-reports>.

5. PROFIT FORECAST OR ESTIMATE

This Base Prospectus does not include any profit forecasts or estimates.

6. DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES

Members of the administrative, management and supervisory bodies

The list of the members of the administrative, management and supervisory bodies of the Issuer as at the date of approval of this Base Prospectus and the offices held in other companies is set out below.

Board of Directors

NAME AND SURNAME	OFFICE HELD IN BANCO DESIO	OFFICES HELD IN OTHER COMPANIES
Stefano Lado	Chairman of the Board of directors and member of the Sustainability Committee and Remuneration Committee	- General partner (<i>socio accomandatario</i>) of Brianza Unione di Luigi Gavazzi e Stefano Lado Sapa, parent company of the Issuer - Director and member of the Management Committee of Fondo Interbancario di Tutela dei Depositi
Alessandro Decio	Chief Executive Officer, General Manager and Member of the Executive Committee	- Director of Fides S.p.A., company controlled by the Issuer - Director of Anthilia Capital Partners SGR S.p.A.
Graziella Bologna	Executive Director	None
Paola Bruno	Independent Director, Chairman of the Control Risk Committee and member of the Nomination Committee.	- Independent Director of Clessidra Private Equity SGR - Member of the Supervisory Board of Solutions 30 SE - Director of Messaggerie Italiane S.p.A.
Agostino Gavazzi	Chairman of the Executive Committee	Chairman of the Board of the general partners (<i>consiglio dei soci accomandatari</i>) of Brianza Unione di Luigi Gavazzi e Stefano Lado S.a.p.a., parent company of the Issuer

NAME AND SURNAME	OFFICE HELD IN BANCO DESIO	OFFICES HELD IN OTHER COMPANIES
Gerolamo Gavazzi	Executive Director	None
Tito Gavazzi	Director, Member of the Control Risk Committee and Member of the Nomination Committee.	– General partner (socio accomandatario) of Brianza Unione di Luigi Gavazzi e Stefano Lado S.a.p.a., parent company of the Issuer – Director of Fides S.p.A., company controlled by the Issuer
Alessandra Maraffini	Independent Director, Chairman of the Sustainability Committee, member of Control Risk Committee and Related Parties Committee until 5 June 2024	Director of Gefran S.p.A.
Valentina Casella	Independent Director, Chairman of Remuneration Committee, Chairman of Related Parties Committee, Member of Sustainability Committee	– Director of Italmobiliare S.p.A. – Director of Maire S.p.A.
Laura Tulli	Independent Director, Chairman of Nomination Committee, Member of the Remuneration Committee and Member of the Related Parties Committee	None
Folco Trabalza (appointed by the assembly of 18 April 2024)	Independent Director, Member of Related Parties Committee since 6 June 2024	– Chairman of the Board of Auditors of Fondazione Cassa di Risparmio di Terni e Narni – Standing Auditor of Oleificio Coppini S.p.A.

Board of Statutory Auditors

NAME AND SURNAME	OFFICE HELD IN BANCO DESIO	OFFICES HELD IN OTHER COMPANIES
Emiliano Barcaroli	Chairman of the Board of Statutory Auditors	None

Rodolfo Anghileri	Standing Auditor	– Chairman of the Board of Auditors of Brianza Unione di Luigi Gavazzi e Stefano Lado S.a.p.a., parent company of the Issuer – Chairman of the Board of Auditors of Fides S.p.A., company controlled by the Issuer
Stefania Chiaruttini	Standing Auditor	– Chairman of the Board of Auditors of United Ventures SGR S.p.A. – Chairman of the Board of Auditors of United Ventures One Sicaf Euveca – Standing Auditor of SEA S.p.A.
Stefano Antonini	Alternate Auditor	– Standing auditor at Unieuro S.p.A.
Erminio Beretta	Alternate Auditor	– Standing auditor of Brianza Unione di Luigi Gavazzi e Stefano Lado S.a.p.a. – Alternate Auditor of Fides S.p.A. – Alternate Auditor of Anthilia SGR S.p.A. – Standing Auditor of Messaggerie Periodici ME.PE. S.p.A. – Alternate Auditor of Dynamica Retail S.p.A.
Re Silvia	Alternate Auditor	– Chairman of the Board of Auditors at Lego S.p.A.

All the Directors and Auditors listed above are domiciled for the office at the Issuer's registered office and shall be in office until the approval of the Annual Report as at and for the year ending 31 December 2025.

All members of the Board of Directors and of the Board of Statutory Auditors meet the integrity and professional requirements provided for by the legislation and regulations currently in force.

All members of the Board of Statutory Auditors are on the Register of Statutory Auditors.

General Management

NAME AND SURNAME	OFFICE HELD IN BANCO DESIO	OFFICES HELD IN OTHER COMPANIES
Alessandro DECIO	CEO and General Manager	– Director of Fides S.p.A.; – Director of Anthilia Capital Partners SGR S.p.A.

Conflicts of interests of the administration, management and control bodies

The fact that the members of Banco Desio administration, management and control bodies hold similar offices in other companies might cause potential conflicts of interests. Therefore, such potential conflicts of interests are managed in compliance with Articles 2391 and 2391-*bis* of the Italian Civil Code, as well as with Article 36 of Law No. 214/2011.

Furthermore, the Issuer adopted a regulation ("*Internal Procedure for transactions with related parties*")

aimed at ensuring the transparency and formal and substantial correctness of transactions with related parties and associated persons, as well as the safeguards on conflicts of interest relating to the Board of Directors, the Board of Statutory Auditors and the top management of the Issuer. In accordance with the provisions of Consob regulations on the subject and the current Bank of Italy legislation, the Internal Regulation for transactions with related parties and associated persons – approved by the Board of Directors – defines the processes of deliberation and supervision of transactions of greater and lesser importance with such persons. The provisions of the procedure also include the discipline of the Related Parties Committee (“*Comitato per le operazioni con parti correlate e soggetti collegati*”).

7. MAJOR SHAREHOLDERS

Entities controlling the Issuer

As at the date of this Base Prospectus, the Issuer is controlled by Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. (which holds about 51.52% of the Issuer's share voting capital). The other qualifying shareholders of the Issuer (within the meaning of the notion of qualifying shareholders set forth under art. 120 of the Financial Services Act were Avocetta S.p.A. (8.41%) and Lado Stefano (7.92%) (of which 6.004% through Vega Finanziaria S.p.A.).

Arrangements the operation of which may at a subsequent date result in a change in control of the Issuer

No arrangements, the operation of which may at a subsequent time result in a change in control of the Issuer, are known to the Issuer.

8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

Financial information relating to past years

The information concerning the financial position and income of the Desio Group included in this Base Prospectus are taken from the Desio Group consolidated Financial Statements period ended on 31 December 2024 and 30 June 2025, which were approved, respectively, by Ordinary Shareholders' Meeting of the Issuer on 17 April 2025 and by the Board of Directors of the Issuer on 5 August 2025.

The Desio Group's consolidated financial statements as at 31 December 2023 approved by the Board of Directors on 8 February 2024 were prepared considering the Issuer's draft separate financial statements as at 31 December 2023, approved without substantial changes by the General Meeting of the Issuer's Shareholders held on 18 April 2024. However, data for 2023 have been compared to those for 2022.

The Desio Group's consolidated financial statements as at 31 December 2024 approved by the Board of Directors on 11 February 2025 were prepared considering the Issuer's draft separate financial statements as at 31 December 2024, approved without substantial changes by the General Meeting of the Issuer's Shareholders held on 17 April 2025.

The consolidated financial statements of the Desio Group as at 31 December 2023 and 31 December 2024 are referred to in this Base Prospectus pursuant to Article 19 of the Prospectus Regulation and are available on the Issuer's website: <https://www.bancodesio.it/en/investor-relations/yearly-interim-reports>.

Auditing of the annual financial report and accounts

Statement that the financial report and accounts referring to past years and contained in this Base Prospectus have been audited

The Issuer states that both the separate and consolidated financial statements as at 31 December 2024 and 31 December 2023 have been audited by the Independent Auditors, which expressed their opinion and made no remarks through specific reports, on 21 March 2025 (with regard to both the separate and

consolidated financial statements as at 31 December 2024) and 22 March 2024 (with regard to both the separate and consolidated financial statements as at 31 December 2023), respectively; the Independent Auditors' reports are incorporated by reference in this Base Prospectus, along with the relevant consolidated financial statements (see above).

Indication of other information in this Base Prospectus which has been audited by the Independent Auditors

This Base Prospectus does not contain financial information that has been audited by the Independent Auditors other than the financial information taken from the Desio Group consolidated financial statements as at 31 December 2023 and 31 December 2024.

Age of the latest audited financial information and accounts contained in this Base Prospectus

The latest audited financial information referring to the Issuer and included in Base Prospectus have been taken from the Desio Group consolidated financial statements as at 30 June 2025.

Interim financial reporting

Since publication of the Issuer's non-consolidated financial statements and the Desio Group's Consolidated Financial Statements, the Issuer has published its unaudited half-year financial reports (on a consolidated basis) as of and for the six months ended 30 June 2025, which are incorporated by reference in this Base Prospectus.

Without prejudice to the above, it is pointed out that the Issuer prepares and publishes unaudited interim financial reporting of the Desio Group. These reports are available on the Issuer's website: <https://www.bancodesio.it/en/investor-relations/yearly-interim-reports>.

Legal and arbitration proceedings

As at 30 June 2025, Issuer's (consolidated) provision for liabilities and contingencies from legal disputes totalled Euro 86,720 thousand. In setting up this provision, the Issuer considered: (i) potential liabilities associated with single proceedings and (ii) the reference accounting standards, which establish that provisions for liabilities shall be made when probable and quantifiable.

Net provisions for liabilities and contingencies (including provisions for legal and tax disputes) totalled Euro 13,063 thousand in June 2025. The Issuer does not deem these proceedings significant, when taken singularly.

Since the reporting date of the latest report and consolidated financial statements approved by the Issuer, i.e. as at 30 June 2025, no events occurred which caused significant changes from the position reported above.

Significant changes in the Issuer's financial or business position

Between the date of approval of this Base Prospectus and the reporting date of the latest report and consolidated financial statements approved by the Issuer and audited, i.e. as at 30 June 2025, no event had occurred, which caused significant changes in the Issuer's financial and business position.

9. MATERIAL CONTRACTS

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Desio Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Notes.

10. RECENT DEVELOPMENTS

Group's 2024–2026 Business Plan

On 23 November 2023, the Board of Directors of Banco Desio approved the new industrial plan, which aims to consolidate the bank's position as a leader among the Less Significant Institutions by streamlining processes and increasing digitalisation. Furthermore, the Plan foresees an accelerated growth in the Small Business, Wealth Management, and Personal Finance sectors.

As part of the strategic plan it has to be noted the acquisition of Dynamica Retail S.p.A., a company operating in the Consumer lending products segment and the acquisition of 14 additional branches from Banca Popolare Puglia e Basilicata confirming Banco Desio DNA as bank of the territory.

11. CERTAIN REGULATORY ASPECTS RELATING TO THE ISSUER

Banking Resolution under the EU Bank Recovery and Resolution Directive (BRRD)

Banco Desio – as a bank – is subject to the Directive (EU) 2014/59, that is the so-called Bank Recovery and Resolution Directive (the “**BRRD**”), as implemented in the Italian legal framework. The BRRD is designed to provide competent authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

- sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;
- bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control);
- asset separation – which enables resolution authorities to transfer all 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
- bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors (including, *inter alia*, the Senior Notes and the Subordinated Notes) of a failing institution and to convert certain unsecured debt claims (including, *inter alia*, the Senior Notes and the Subordinated Notes) to equity (the “**General Bail-in Tool**”), which equity could also be subject to any future application of the General Bail-in Tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exhausted the above resolution tools (including the bail-in tool) to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public entity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework and the BRRD.

An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts

or other liabilities as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

In addition to the General Bail-in Tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity Tier 1 and Tier 2 capital instruments at the point of non-viability and before (or simultaneously), any other resolution action is taken (“**Non-Viability Loss Absorption**”). Any shares issued to holders of such capital instruments upon any such statutory conversion into equity may also be subject to any application of the General Bail-in Tool, which may result in cancellation or dilution of the shareholding.

For the purposes of the application of any Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution or, under certain circumstances, the group meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, under certain conditions, the group will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution or, under certain conditions, the group would no longer be viable.

Any application of the general bail-in tool and non-viability loss absorption under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on the Noteholders will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors. Therefore, also in a non-bankruptcy scenario, in case of application of the bail-in tool, the Senior Notes and the Subordinated Notes might be written down to zero, or converted to equity, without the prior consent of the relevant Noteholders.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government. In particular, Legislative Decrees Nos. 180/2015 and 181/2015 implementing the BRRD in Italy (the “**BRRD Implementing Decrees**”) were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD.

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 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 Senior Notes and Subordinated Notes may be subject to write-down/conversion upon an application of the General Bail-In Tool while other Series of Senior Notes or, as applicable, Subordinated Notes (or, in each case, other *pari passu* ranking liabilities) are partially or fully excluded from such application of the General Bail-In Tool. Further, 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 applicable, 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, in circumstances in which Senior Notes or Subordinated Notes have been partially or fully written-down/converted into equity capital instruments on an application of the General Bail-In Tool, 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 may receive a treatment which is more favourable than that received by holders of the relevant 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.

Also, Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors, such as holders of Senior Notes. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors.

Legislative Decree No. 181/2015 has amended the bail-in creditor hierarchy in the case of admission of Italian banks and investment firms to resolution, by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and small and medium sized enterprises benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual and small and medium sized enterprises deposits exceeding the coverage limit of the deposit guarantee scheme. This means that, as from 1 January 2019, significant amounts of liabilities in the form of large corporate and interbank deposits which rank *pari passu* with Senior Preferred Notes under the national insolvency regime currently in force in Italy, will rank higher than Senior Preferred Notes in normal insolvency proceedings. Therefore, on application of the General Bail-In Tool, such creditors will be written-down/converted into equity capital instruments only after Senior Preferred Notes. The safeguard set out in Article 75 of the BRRD (referred to above) would not provide any protection since, as noted above, Article 75 of the BRRD only seeks to achieve compensation for losses incurred by creditors which are in excess of those which would have been incurred in a winding-up under normal insolvency proceedings.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off which are normally available under insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary. Since each holder of Subordinated Notes and Senior Notes will have expressly waived any rights of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Senior Notes or Subordinated Notes, it is clear that the statutory right of set-off available under Italian insolvency laws will likewise not apply.

On 28 December 2017, Directive (EU) 2017/2399, amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy (the “**BRRD Amending Directive**”) entered into force. The BRRD Amending Directive requires Member States to create a new class of the so-called “senior non-preferred” debt instruments which would rank just below the most senior debt and other senior liabilities for the purposes of liquidation, while still being part of the senior unsecured debt category (only as a lower tier of senior debt) and that will be eligible to meet MREL and TLAC requirements. The new creditor hierarchy will not have a retroactive effect and will only apply to new issuances of bank debts. In this regard, the Italian Law No. 205/2017, approved by the Italian Parliament on 27 December 2017, contains the implementing provisions pertaining to “non-preferred” senior debt instruments.

More in detail, the non-preferred senior notes (notes intending to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-bis of the Consolidated Banking Law) rank junior to senior notes (or equivalent instruments), *pari passu*, without any preferences among themselves, and in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-bis, letter c-bis of the Consolidated Banking Law.

The amendments introduced to the BRRD by the BRRD Amending Directive create a new category of unsecured debt in bank creditors' insolvency ranking. It establishes an EU harmonised approach on the priority ranking of bank bondholders in insolvency and in resolution. The agreement on the harmonised rules on the priority ranking of bank bondholders in insolvency and in resolution facilitates a more efficient path towards banks' compliance with the TLAC standard (for G-SIBs) that should apply from 2019 onwards, as agreed in the Financial Stability Forum. In addition, by providing greater legal certainty for both issuers and investors and reducing the risk of legal challenges, these harmonised rules will facilitate the application of the bail-in tool in resolution.

Legislative Decree No. 30 of 15 February 2016 (largely in force as of 9 March 2016) implemented in Italy the revised Directive 2014/49/EU on deposit guarantee schemes ("**DGSD**") (the "**Decree No. 30**"). The Decree amends the Consolidated Banking Act and: (i) establishes that the maximum deposit guaranteed amount is €100,000, which has been harmonised by the DGSD and is applicable to all deposit guarantee schemes; (ii) lays down the minimum financial budget that national guarantee schemes should have; (iii) details intervention methods of the national deposit guarantee schemes; and (iv) harmonises the methods of reimbursement to depositors in case of insolvency of a credit institution.

The BRRD also requires institutions to meet, at all times, robust minimum requirements of own funds and liabilities eligible for bail-in expressed as a percentage of the total liabilities and own funds of the institution (i.e. "Minimum Requirement for Own Funds and Eligible Liabilities" – **MREL**). MREL represents one of the key tools to improve banks' resolvability, allowing resolution authorities to maintain critical functions and restore a bank's capital position after resolution. This MREL requirement should ensure that shareholders and creditors bear losses regardless of which resolution tool is applied. The resolution authority, after consulting with the relevant competent authority, will set the MREL for the relevant institution based on the assessment criteria identified by the EBA in its regulatory technical standards (RTS) and the Commission Delegated Regulation (EU) 2016/1450 supplementing BRRD, pursuant to Article 45 of the BRRD itself. Article 7(1) of Commission Delegated Regulation (EU) 2016/1450 on criteria for determining MREL requires resolution authorities to ensure that MREL is sufficient to allow the write down or conversion of an amount of own funds and qualifying eligible liabilities at least equal to the sum of the loss absorption amount and the recapitalisation amount, subject to certain considerations. The resolution authority has discretion to allow BRRD institutions to meet part of their MREL obligations through "contractual bail-in instruments". The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not subject to supervision by the ECB) or to the Single Resolution Board (the "**SRB**") for banks subject to direct supervision by the ECB under Regulation (EU) 806/2014 laying down uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism ("**SRMR**").

The Commission Delegated Regulation (EU) 2016/1450, which entered into force on 23 September 2016, further defines the way in which resolution authorities/the SRB shall calculate MREL, as described in Article 45(6) of the BRRD. Article 8 of the aforementioned regulation provides that resolution authorities may determine an appropriate transitional period for the purposes of meeting the full MREL requirement.

On 19 July 2016, the EBA launched a public consultation on its interim report on the implementation and design of the MREL. On 23 November 2016, the European Commission presented the EU Banking Reform, which introduces a number of proposed amendments to the BRRD. In particular, it was proposed that the MREL – which should be expressed as a percentage of the total risk exposure amount and of the leverage ratio exposure measure of the relevant institution – should be determined by the resolution authorities at an amount to allow banks to absorb losses expected in resolution and recapitalise the bank post-resolution. In addition, it was proposed that resolution authorities may require institutions to meet higher levels of MREL in order to cover losses in resolution that are higher than those expected under a standard resolution scenario and to ensure a sufficient market confidence in the entity post-

resolution. It is currently envisaged that in the event of any shortfall of complying with the MREL requirement the competent resolution authority shall have the power to prohibit the institution from distributing more than the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (so-called “**M-MDA**”).

For banks which are not included in the list of G-SIBs, liabilities that satisfy the requirements set forth in the EU Banking Reform and do not qualify as CET1, Tier 1 or Tier 2 instruments, shall qualify as eligible liabilities for the purpose of MREL, unless they fall into any of the categories of excluded liabilities. The SRB, together with the national resolution authorities (“**NRAs**”), started to develop its MREL approach in 2016. The preliminary approach consisted of informative targets that sought to enable banks to prepare for their future MREL requirements. The SRB is further enhancing its gradual MREL multi-year policy, and in 2017 introduced binding requirements and started to address both quantity and quality of MREL with bank specific features.

During 2017, the SRB developed its MREL policy, starting to develop binding targets for major banking groups. Considering the need to address the specificities of the most complex groups in more detail, the SRB split the 2018 resolution planning cycle in two waves. The first started in January 2018 to allow the banks that did not have binding targets – for instance those with no presence outside the Banking Union – to be addressed first based on an MREL policy largely following the 2017 approach and published on 20 November 2018. For the second wave of resolution plans, covering the most complex banks, an enhanced MREL policy was published on 16 January 2019.

In June 2019 the SRB published an update to its 2018 MREL policy in light of the publication of the Banking Package (CRR-II/CRD-V/BRRD-II/SRM II) in the Official Journal of the EU on 7 June 2019. This was followed by an overall updated MREL Policy under the Banking Package (BRRD-II/SRM II) published on 20 May 2020, which covers: (a) MREL requirements for Global Systemically Important institutions (G SIs); (b) changes to the calibration of MREL, including introducing MREL based on the leverage ratio; (c) changes to the quality of MREL (subordination); (d) dedicated rules for certain business models, such as cooperatives, and for resolution strategies, such as multiple point of entry (MPE); (e) provisions on internal MREL; (f) clarifications on third-country issuances; and (g) how these changes will be phased in.

MREL decisions implementing the new framework were based on the MREL Policy under the Banking Package in the 2020 resolution planning cycle. The decisions were communicated to institutions in the beginning of 2021. These decisions replaced those issued under the previous legal framework. Each new decision will set out two binding MREL targets, including those for subordination.

On 7 June 2019, the following legislative texts have been published in the EU's Official Journal:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (the “**BRRD II**”); and
- 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 (“**SRM II Regulation**”).

The BRRD II reforms introduced, among other things, the Total Loss-absorbing Capacity Term Sheet (the “**TLAC standard**”) as implemented by the Financial Stability Board, by adapting the existing BRRD regime relating to the specific MREL.

The new MREL regime is aligned with TLAC standard requirements in terms of calculation of loss absorption and recapitalisation amount. The eligible liabilities under MREL are determined according to the provisions concerning the eligible liabilities under TLAC standard.

Article 33a of BRRD II 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.

On 20 May 2020, the Single Resolution Board published a non-binding policy named “*Minimum Requirements for Own Funds and Eligible Liabilities (MREL) Policy under the Banking Package*”, aiming at helping to ensure that MREL is set in the context of fully feasible and credible resolution plans for all types of banks, as well as promoting a level playing field across banks including subsidiaries of non-banking Union (EU) banks. Such policy, whose last update has been published on 14 May 2024, addresses the following topics:

- calibration: the policy provides for modifications and extensions of the SRB’s approach to MREL calibration in accordance with the framework set out by the EU Banking Reform Package;
- subordination for resolution entities: the policy sets the following subordination requirements: (i) Pillar 1 Banks are subject to subordination requirements composed of a non-adjustable Pillar 1 MREL requirement that must be met with own funds instruments and eligible liabilities that are subordinated to all claims arising from excluded liabilities; (ii) Pillar 1 Banks’ resolution authorities shall ensure that the subordinated MREL resources of Pillar 1 Banks are equal to at least 8% of total liabilities and own funds (TLOF); and (iii) non Pillar 1 Banks are subject to a subordination requirement only upon the decision of the resolution authority to avoid a breach of the No Creditor Worse Off principle, following a bank-specific assessment carried out as part of resolution planning;
- internal MREL for non-resolution entities: the policy states that the SRB will progressively expand the scope of non-resolution entities for which it will adopt internal MREL decisions, and it may waive subsidiary institutions qualifying as non-resolution entities from internal MREL at certain conditions. In addition, the policy defines criteria for the SRB’s possibility to permit the use of guarantees to meet the internal MREL within the Member State of the resolution entity;
- MREL for cooperative groups: the policy sets out minimum conditions to authorise certain types of cooperative networks to use eligible liabilities of associated entities other than the resolution entity to comply with the external MREL, as well as minimum conditions to waive the internal MREL of the legal entities that are part of the cooperative network;
- eligibility of liabilities issued under the law of a third country: the SRB has developed a checklist to assist banks in establishing if liabilities are eligible. The policy also provides more details on eligibility characteristics for specific types of liabilities and expands on how liabilities issued under the law of third countries can be considered eligible through contractual recognition;
- transitional arrangements: the policy explains the operationalisation of transitional periods up to the 2024 deadline, including binding intermediate targets in 2022 and informative targets in 2023, also stating that transitional arrangements must be bank-specific (since they depend on the MREL tailored to that bank and its resolution plan, and the bank’s progress to date in raising MREL-eligible liabilities); and
- M-MDA: the SRB may set restrictions for banks that do not comply with the Combined Buffer Requirement (CBR), preventing them from distributing more than the Maximum Distributable Amount related to MREL (M-MDA). The M-MDA may also be imposed in cases of breaches of the MREL. The Policy describes the two-stage assessment and the expectations for the banks as

regards the notification.

The above mentioned MREL policy is periodically reviewed and updated by the SRB.

On 30 September 2024, the SRB published a communication on the changes to its MREL policy to be implemented in line with the Directive (EU) 2024/1174 ("**Daisy Chain Act**"). The SRB clarified in its communication of 30 September 2024 that the entry into force of the amendments introduced by the Daisy Chain Act entails that the SRB will no longer determine the MREL requirement for liquidation entities, unless it considers it justified to set a requirement exceeding the amount necessary to absorb losses, and that Articles 77(2) and 78a of the CRR do not apply to liquidation entities for which the Board has not determined the MREL. Hence, the previously adopted decisions setting the MREL were repealed, as well as the prior permissions granted to the same liquidation entities pursuant to Article 78a CRR – the liquidation entities are in the position to reduce eligible liabilities instruments without the SRB's prior permission.

In July 2020, the EBA published a statement on resolution planning 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 September 2020, the European Commission issued a notice aimed at interpreting certain legal provisions of the revised bank resolution framework (*i.e.*, BRRD, SRMR and CRR) 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.

In May 2021, Implementing Regulation (EU) 2021/763 on disclosure reporting on MREL and TLAC has been published in the Official Journal of the European Union, 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. Title I of Implementing Regulation (EU) 2021/763 shall apply from 28 June 2021, while Title II shall apply as of 1 June 2021 as regards the disclosures in accordance with Article 437a and point (h) of Article 447 of CRR, and as of the date of application of the disclosure requirements in accordance with the third subparagraph of Article 3(1) of BRRD II, as regards the disclosures in accordance with Article 45i(3) of BRRD.

On 18 April 2023 the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (the "**CMDI**") framework. The package consists of four legislative proposals that would amend existing EU legislation: the BRRD, the DGSD and the SRMR. On 24 April 2024, the CMDI received the endorsement from the European Parliament, plenary session. On 19 June 2024, the Council announced that it had agreed a negotiating mandate on the review of the CMDI. With this agreement, the Council is ready to engage in negotiations with the European Parliament on the final shape of this piece of legislation.

As part of the CMDI, the Daisy Chain Act was adopted – published in the European Official Gazette on 22 April 2024 – introducing certain amendments to the BRRD and the SRMR aimed at outlining the

conditions for the treatment of internal MREL.

On 25 June 2025, the Council and the Parliament reached an agreement on the Commission proposal to review the CMDI package. The reform aims to enhance the ability of resolution authorities to manage the failure of small and medium-sized banks by broadening the scope of resolution to include these banks when it serves the public interest. This will enable more banks to undergo an orderly exit, such as a sale to another bank, rather than being liquidated, thereby minimising economic disruption in the event of bank failures. The reform will also strengthen depositor protection across the European Union. The co-legislators are expected to finalise the legal text at technical level before formally adopting the new framework. Once fully implemented, the EU Banking Package and the CMDI are expected to impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements.

Single Resolution Mechanism

On 19 August 2014, the SRM Regulation entered into force.

The SRM Regulation, which complements the SSM, applies to all banks supervised by the SSM. It mainly consists of the Board and a Single Resolution Fund (the “**Fund**”).

A centralised decision-making process has been built around the Board and involves the European Commission and the Council of the European Union – which has the possibility to object to Board decisions – as well as the ECB and the national resolution authorities.

The Fund, which backs the SRM Regulation decisions mainly taken by the Board, is divided into national compartments during an eight years transitional period, as set out by an intergovernmental agreement. In 2015 banks started to pay contributions to national resolution funds that are gradually transferred into the Fund starting from 2016 (and are additional to the contributions to the national deposit guarantee schemes).

The Fund has reached the target level of at least 1 per cent. of the amount of covered deposits of all credit institutions within the Banking Union by 31 December 2023. The Fund shall not be used to absorb the losses of an institution or to recapitalise an institution.

This framework should be able to ensure that, instead of national resolution authorities, there is a single authority – the Board –, which takes all relevant decisions for the resolution of banks being supervised by the SSM and part of the Banking Union.

There are other benefits that will derive from the Banking Union. Such benefits are aimed at (a) breaking the negative feedback loop between banks and their sovereigns; (b) providing a solution to home-host conflicts in resolution; and (c) giving a competitive advantage to the banks in the Banking Union *vis-à-vis* non-Banking Union ones, due to the availability of a larger resolution fund.

CRD and CRR

In November 2016, the European Commission (the “**EC**”) published a package of proposed amendments to the CRD IV Directive and the CRR (the “**CRD V Directive**” and the “**CRR II**”, respectively). Following the EC’s proposals, the CRD V Directive and the CRR II entered into force on 27 June 2019 as Directive 2019/878/EU and Regulation 2019/876/EU respectively. Member States are required to adopt and publish, by 28 December 2020, the provisions necessary to comply with the CRD V Directive, and apply those measures from 29 December 2020 (with some exceptions). CRR II largely applies from 28 June 2021.

The amendments seek to implement some of the remaining aspects of Basel III and reforms which reflect EC findings on the impact of the CRD IV Directive on bank financing of the EU economy. The amendments also seek to require financial holding companies in the European Union to become authorised and subject to direct supervision under the CRD IV Directive, placing formal direct responsibility on holding

companies for compliance with consolidated prudential requirements for financial groups. The amendments also require third-country groups above a certain threshold with two or more credit institutions or investment firms in the European Union to establish an intermediate EU holding company. The minimum requirement for own funds and eligible liabilities provisions in the CRR are also amended to bring the requirement in line with the Financial Stability Board's (FSB) final total loss absorbing capacity term sheet standards for globally significant institutions.

The final capital framework to be established in the European Union under the CRD V Directive and/or the CRR II differs from Basel III in certain areas. In December 2017, the Basel Committee finalised further changes to the Basel III framework which include amendments to the standardised approaches to credit risk and operational risk and the introduction of a capital floor. In January 2019, the Basel Committee published revised final standards on minimum capital requirements for market risk.

Among other measures taken by prudential regulators in response to the COVID-19 pandemic, on 27 March 2020 the Group of Central Bank Governors and Heads of Supervision deferred the implementation of these final Basel III standards by one year to 1 January 2023.

In addition to the above, under Article 133 of CRD V, European Member States may introduce a systemic risk buffer of Common Equity Tier 1 capital in order to prevent and mitigate macroprudential or systemic risk not covered by CRR, the countercyclical capital buffer, the G-SII buffer or the O-SII buffer. Pursuant to this provision, the Competent Authority has the power to set one or more systemic risk buffer rates applicable to one or a combination of the exposures of the kind referred to in Article 133(5) of CRD V.

The provisions laid down by the CRD V as to the national competent authorities to introduce a systemic risk buffer have been transposed into the Italian secondary level legislation, now also providing for the Bank of Italy's authority to set one or more systemic risk buffer rates.

As of 30 June 2025, all banks authorised in Italy are required to fully comply with the 1.0 per cent systemic risk buffer (SyRB) on exposures to Italian residents, weighted for credit and counterparty credit risk. The Bank of Italy had adopted this measure on 26 April 2024, with a phased implementation: 0.5 per cent was to be set aside by 31 December 2024, and the remaining 0.5 per cent became mandatory from 30 June 2025. The SyRB applies at both the individual and consolidated level.

On 27 October 2021, the Commission's proposal was published, which transposes into the CRR ("CRR III") and CRD ("CRD VI" and jointly with the CRR III the **"2021 Banking Reform Package"**) the standards approved by the Basel Committee at the end of 2017, with specific reference to the treatment of the main risks (credit, market and operational) and the so-called "output floor".

The 2021 Banking Reform Package has been adopted with the publication of EU Regulation 2024/1623 (amending CRR) and EU Directive 2024/1619 (amending CRD IV Directive) in the Official Journal of the European Union on 19 June 2024. EU Regulation 2024/1623 and EU Directive 2024/1619 entered into force on 9 July 2024.

EU Directive 2024/1619 aims at the harmonisation of minimum requirements applicable to the authorisation of branches of third-country banks and the supervision of their activities in the EU and at enhancing banks' management of Environmental, Social and Governance risks. Member States shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI, and shall apply those measures from 11 January 2026 (with some exceptions).

EU Regulation 2024/1623 shall apply from 1 January 2025 (with some exceptions). Among the others, this Regulation has introduced a lower limit to the risk-based capital requirements calculated using internal models ('output floor'), that is equal to a percentage (72.5%) of the capital requirements that would apply if standardised approaches were used, considering a transitional period as well. In relation to the use of the Standardised approach for credit risk, EU Regulation 2024/1623 envisages a more granular risk weight treatment of different exposures, such as: exposures to institutions, exposures to

corporates, specialised lending exposures, retail exposures, exposures secured by real estate, subordinated debt exposures, equity exposures and defaulted exposures.

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. 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 European Commission has launched a consultation to help determine the best approach for the application of the EU's framework on market risk prudential requirements for banks and adopted on 12 June 2025 a delegated act, still to be published in the Official Journal, which postpones by one additional year – until 1 January 2027 – the date of application of the Fundamental Review of the Trading Book.

On 27 August 2025, the Bank of Italy issued the 50th amendment to the Bank of Italy Regulations, implementing the CRR III into the Italian regulatory framework and containing guidance regarding the exercise of national discretions. Among other things, the Bank of Italy has implemented the discretion provided for in Article 465, para. 5 of the CRR, which allows banks using IRB internal models to temporarily apply – subject to certain regulatory requirements – preferential risk weight factors in calculating the output floor for exposures secured by residential properties. Conversely, it has not exercised the discretion under Article 129, para. 3 of the CRR concerning covered bonds.

The Supervisory Review and Evaluation Process

The Issuer is subject to the Pillar 2 requirements for banks imposed under the CRD and the CRR, which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process (“**SREP**”). The SREP is aimed at ensuring that institutions have in place adequate arrangements, strategies, processes and mechanisms to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system. 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 18 March 2022, the EBA published the final revised Guidelines “*on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing*”, aimed at implementing the changes brought by the CRD V and CRR II and promoting convergence towards best supervisory practices. The changes to these Guidelines do not alter the overall SREP framework but affect its main elements, including (i) business model analysis, (ii) assessment of internal governance and institution-wide control arrangements, (iii) assessment of risks to capital and adequacy of capital to cover these risks, and (iv) assessment of risks to liquidity and funding and adequacy of liquidity resources to cover these risks.

Following the results of the SREP performed by the Bank of Italy, the Issuer has been required to meet, on a consolidated basis, a minimum CET1 Ratio of 7.60 per cent., a minimum Tier 1 ratio of 9.30 per cent. and a minimum Total Capital Ratio of 11.50 per cent. to be applied for year 2025.

In the context of the mandate set forth in the CRD, on 21 January 2025 the EBA published an Opinion on the interaction between the output floor and Pillar 2 requirements. The Opinion considers that the nominal amount of Pillar 2 requirements is not to increase as a result of an institution becoming bound by the output floor and highlights the possibility of double counting in setting the Pillar 2 requirements

of risks already covered by the effects of a binding output floor. The Opinion will be considered in the forthcoming comprehensive review of the EBA Guidelines on the SREP.

TAXATION

The following is a general description of certain Italian tax considerations and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, hold 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.

This section is based upon Italian tax laws and practice in effect as at the date of this Offering Circular, which may be subject to change, potentially with retroactive effect. For Noteholders who are not resident in Italy for tax purposes, applicable tax treaties may reduce or nullify the tax rates set out below.

Prospective Noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction, of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any State, regional or local tax laws. This section will not be updated to reflect changes in laws and if such a change occurs the information in this section could become invalid.

Taxation in the Republic of Italy

Tax Treatment of the Notes

Italian Legislative Decree no. 239 of 1 April, 1996, as amended and supplemented ("**Decree No. 239**"), regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds ("*obbligazioni*") and securities similar to bonds (pursuant to article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**") issued, *inter alia*, by Italian resident banks.

For these purposes, securities similar to bonds ("*titoli similari alle obbligazioni*") are defined as securities that: (i) incorporate an unconditional obligation of the issuer to pay, at maturity, an amount not lower than their nominal value, with or without the payment of periodic interest; and that (ii) do not give any right to directly or indirectly participate in the management of the issuer or of the business in connection to which the securities were issued, nor any type of control on the management.

The tax regime set forth by Decree No. 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 converted with amendments by Law No. 148 of 14 September 2011 and as further amended.

Taxation of interest

Italian resident Noteholders

Pursuant to Decree No. 239, payments of Interest relating to Notes issued by the Issuer that qualify as *obbligazioni* or *titoli similari alle obbligazioni* are subject to the *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes) if the Noteholder, who is the beneficial owner of the Notes, is:

- (i) an individual resident in the Republic of Italy for tax purposes, holding the Notes otherwise than in connection with entrepreneurial activities; or

- (ii) an Italian resident partnership (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), or a de facto partnership not carrying out commercial activities and professional associations; or
- (iii) an Italian resident public or private entity other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (iv) an Italian resident entity exempt from Italian corporate income tax.

All the above categories are usually referred as "net recipients" unless the Noteholders referred to under (i), (ii) and (iii) above have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called "*regime del risparmio gestito*" (the *Risparmio Gestito* regime) according to article 7 of Italian Legislative Decree No. 461 of 21 November 1997 as amended ("**Decree No. 461**").

In the event that the Italian resident Noteholders mentioned in (i) and (iii) above hold the Notes in connection with an entrepreneurial activity (*attività d'impresa*), the *imposta sostitutiva* applies as a provisional tax. In such a case, 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 deduction from Italian income tax due.

Interest accrued on the Notes must be included in the relevant Noteholder's annual corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholders, also in the net value of production for purposes of regional tax on productive activities ("**IRAP**")) if the Noteholder is an Italian resident corporation or permanent establishment in Italy of foreign corporation to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

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 if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called **SIMs**), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy (**Intermediaries** and each an **Intermediary**) or by permanent establishments in Italy of a non-Italian resident Intermediary or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree No. 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. 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 in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder, or, in its absence, by the Issuer.

Payments of Interest in respect of Notes issued by the Issuer that fall within the definitions of *obbligazioni* or *titoli similari alle obbligazioni* set out above will not be subject to the *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected;
- (ii) Italian resident partnerships carrying out commercial activities ("*società in nome collettivo*" or "*società in accomandita semplice*");
- (iii) Italian resident investors holding Notes otherwise than in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes to an authorised financial intermediary and have opted for the *Risparmio Gestito* regime. The Italian resident investors who have opted for the *Risparmio Gestito* regime are subject to an annual substitutive tax of 26 per cent. (the "**Asset Management 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). The Asset Management Tax is applied on behalf of the taxpayer by authorised Intermediaries;
- (iv) Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"). Italian resident pension funds subject to the regime provided by article 17, of Decree No. 252 are subject to an annual substitutive tax of 20 per cent. (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which would include Interest accrued on the Notes, if any). Subject to certain conditions, Interest in respect of the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232 if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.
- (v) Italian open ended or closed ended investment funds, investment companies with fixed capital ("**SICAFs**") or investment companies with variable capital ("**SICAVs**") established in Italy (together, the "**Funds**") when 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 authorised intermediary. In such case, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares;
- (vi) Italian resident real estate investment funds (complying with the definition as amended pursuant to Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010) established after 26 September 2001 pursuant to article 37 of Legislative Decree No. 58 and Article 14-*bis* of Law No. 86 of 25 January 1994, or in any case subject to the tax treatment provided for by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree No. 351**") and Italian resident real estate SICAFs to which the provisions of article 9 of Legislative Decree No. 44 of 4 March 2014 apply (hereinafter the "**Real Estate Investment Funds**"). In such case, Interest accrued on the Notes will not be subject to *imposta sostitutiva*, nor to any other income tax in the hands of the Real Estate Investment Funds. The income of the Real Estate Investment Funds may be subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above must: (a) be the beneficial owners of payments of Interest on the Notes and (b) timely deposit the Notes in due time directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not timely deposited with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer. 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 *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident (with no permanent establishment in the Republic of Italy to which the Notes are effectively connected), an exemption from the *imposta sostitutiva* applies **provided that** the non-Italian resident beneficial owner is resident, for tax purposes, in a State or territory included in the list of States or territories allowing an adequate exchange of information with the Italian tax authorities and listed in the Decree of the Minister of Finance dated 4 September 1996, as amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to Article 11(4), lett. c) of Decree No. 239 from time to time (the "White List").

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes that fall within the definitions of *obbligazioni* or *titoli similari alle obbligazioni* set out above made to:

- (a) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (b) an "institutional investor", whether or not subject to tax, which is established in a country included in the White List; or
- (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of *imposta sostitutiva*, non-Italian resident beneficial owners must (a) timely deposit, directly or indirectly, the Notes with a bank or a SIM or a permanent establishment in Italy of a non-resident bank or SIM or with a non-resident operator of a clearing system having appointed as its agent in Italy for the purposes of Decree 239 a resident bank or SIM or a permanent establishment in Italy or a non-resident bank or SIM which are in contact via computer with the Ministry of Economy and Finance and (b) timely file with the relevant depository (which may be a non-Italian resident entity participating in a centralised securities management system connected via telematic link with the Italian Ministry of Economy and Finance) a self-declaration (*autocertificazione*) stating their residence, for tax purposes, in a State listed in the White List. Such self-declaration – which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented) – is valid until withdrawn or revoked and may not be filed in the event that a certificate, declaration or other similar document with an equivalent purpose has previously been filed with the same depository. The self-declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident holder of the Notes to timely comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to a non-resident holder of the Notes.

Non-resident holders of the Notes who are subject to *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

Tax treatment of Notes qualifying as atypical securities (*titoli atipici*)

Atypical securities are securities that do not fall within the category of (a) shares (*azioni*) and securities similar to shares (*titoli similari alle azioni*) and of (b) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

Payments relating to atypical securities are subject to 26 per cent. withholding tax.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Fund, (vii) a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005), or (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

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 26 withholding tax, on Interest relating to the Notes qualifying as atypical securities if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where the Noteholder is (a) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, or (b) an Italian resident corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In case of a non-Italian resident Noteholder without a permanent establishment in Italy to which the Notes are effectively connected, the above-mentioned withholding tax rate may be reduced (generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, subject to timely filing of the required documentation.

Fungible issues

Pursuant to article 11, paragraph 2 of Decree No. 239, where the Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva*, the issue price of the new Tranche is deemed to be the same amount as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of duration of the Notes.

Taxation of Capital Gains

Italian resident Noteholders

Any capital gain realised upon the sale for consideration, transfer or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases depending on the status of Noteholder, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (c) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity.

Where an Italian resident Noteholder is an (i) individual holding the Notes otherwise than in connection with entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* at the current rate of 26 per cent.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax return regime (the "***Regime della Dichiarazione***"), which is the standard regime for taxation of capital gains realised by Italian Noteholders under (i) to (iii) above, substitute tax on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss, realised by Italian resident individual Noteholders holding Notes otherwise than in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report total capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return to be filed with the Italian tax authorities for such year and pay substitute tax on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years.

As an alternative to the tax return regime depicted above, Italian Noteholders under (i) to (iii) above, may elect to pay 26 per cent. substitute tax separately on capital gains realised on each sale, transfer or redemption of the Notes (the "***Risparmio Amministrato***" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being timely deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The financial intermediary is responsible for accounting for substitute tax in respect of capital gains realised on each sale, transfer or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any relevant 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 proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax return and remains anonymous. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years.

Any capital gains on Notes held by Noteholders under (i) to (iii) above, who have elected for the *Risparmio Gestito* regime 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 the Asset Management Tax to be applied on behalf of the taxpayer 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 subsequent years. Under the *Risparmio Gestito* regime, the Noteholder is not required to report capital gains realised in its annual tax return and remains anonymous.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realised upon sale, transfer or redemption by Italian resident individuals holding the Notes not 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 taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Any capital gains on Notes held by Noteholders who are Italian resident pension funds subject to the regime provided by article 17 of Decree No. 252, will be included in the computation of the taxable basis of Pension Fund Tax. Subject to certain conditions, capital gains realised in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232 if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. The Fund will not be subject to taxation on such result but a withholding tax of 26 per cent. may apply on income of the Fund derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Capital gains on Notes held by Italian Real Estate Investment Funds are not taxable at the level of same Real Estate Investment Funds. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Investment Fund.

The 26 per cent. substitute tax on capital gains may, in certain circumstances, be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

Non-Italian resident Noteholders

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of Notes are exempt from taxation in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad and in certain cases subject to prompt filing of required documentation (in particular, a self-declaration of non-residence in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with whom the Notes are timely deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not transferred on regulated markets are not subject to the *imposta sostitutiva*, **provided that** the effective beneficiary: (a) is resident in a country included 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, not subject to tax, established in a country included in the White List. In order to benefit of the exemption from *imposta sostitutiva* as for the above, all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended have to be met. In this case, if non-Italian residents without a permanent establishment in Italy to which the

Notes are effectively connected elect for the *Risparmio Gestito* regime or are subject to the *Risparmio Amministrato* regime, exemption from Italian taxation on capital gains will apply upon condition that they file in due time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement reported above.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets, and 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 effectively connected, that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon 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 the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Notes. In this case, exemption from Italian taxation on capital gains will apply upon condition that they file in due time with the authorised financial intermediary appropriate documentation attesting that the requirements for the application of the relevant double taxation treaty are met.

The *Risparmio Amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes timely deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident Noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Inheritance and gift tax

Transfers of any valuable asset (such as the Notes) by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

- (a) 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 Euro 1,000,000.00 (per beneficiary);
- (b) 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 at a rate of 6 per cent. on the entire value of the inheritance or the gift;
- (c) 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 Euro 100,000.00 (per beneficiary); and
- (d) any other transfer is 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 (a), (b), (c) and (d) on the value exceeding, for each beneficiary, Euro 1,500,000.

The transfer of financial instruments as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration

tax at rate of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax at rate of €200 only in case of use or voluntary registration or occurrence of the so-called *enunciazione*.

Stamp duty on financial instruments

Pursuant to Article 13 paragraph 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not 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 of the Notes held.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable *pro rata*.

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 as amended from time to time) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to article 19(18–23) of Law Decree No. 201 of 6 December 2011, Italian resident individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Decree No. 917) resident in Italy holding financial assets – including the Notes – outside of the Italian territory are required to pay in their own annual tax declaration a wealth tax at the rate of 0.2 per cent or 0.4 per cent if the Notes are held in a country listed in the Italian Ministerial Decree dated 4 May 1999, pursuant to the provisions of Law No. 213/2023 ("IVAFA"). For taxpayers other than individuals, this wealth tax cannot exceed Euro 14,000 per year. In this case the above-mentioned stamp duty provided for by Article 13 par. 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 does not apply.

This tax is calculated on the market value at the end of the relevant year (or at the end of the holding period) or – if no market value figure is available – on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held outside of 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 IVAFA due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries and the items of income derived from the Notes have been subject to tax by the same intermediaries. In this case, the above-mentioned stamp duty provided for by Article 13 par. 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 does apply.

Tax monitoring obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended from time to time, Italian resident individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Decree No. 917) resident in Italy who hold investments abroad or have financial activities abroad or are the beneficial owners, under the Italian money-laundering law, provided by Italian Legislative Decree No. 231 of 21 November 2007, of investments abroad or foreign financial assets must, in certain circumstances, disclose the aforesaid (including the Notes) to the Italian tax authorities in their income tax return (or,

in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through Italian financial intermediaries intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

United States Foreign Account Tax Compliance Act ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer does not expect to be treated as a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the

U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of the Dealers. The arrangements under which the Issuer may agree from time to time to sell Notes and the relevant Dealer(s) may agree to purchase are set out in a Programme Agreement dated 12 September 2025 (the "**Programme Agreement**") and made between the Issuer and the Dealers.

Any agreement for the sale and purchase of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase.

The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Notes under or pursuant to the Programme Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

United States of America

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 in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Republic of Italy

The offering of the Notes has not been registered with CONSOB pursuant to Italian securities legislation. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that any offer, sale or delivery of the Notes

or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution to copies to this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Banking Act, the Consolidated Finance Act, CONSOB Regulation No. 20307 of 15 February 2018 (in each case, as amended from time to time) and any other applicable law and regulation; and
- (ii) in compliance with any applicable law, regulation, and requirement imposed by the CONSOB and/or another Italian authority (including, *inter alia*, where applicable Article 129 of the Consolidated Banking Act, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020).

France

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and it has not distributed or caused to be distributed, and will not distribute or cause to be distributed, to the public in France this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "FIEA"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision 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 EU MiFID II; or
- (ii) a customer within the meaning Directive (EU) 2016/97 (as amended, "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565, as amended, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, "**EUWA**"); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the EU 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.

Selling restrictions addressing additional UK Securities Laws

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

- (a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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; and
- (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 any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply to the best of its knowledge and belief, with all applicable securities laws and regulations in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Paying Agent nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer nor the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating such sale. Persons

into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s), or change(s) in official interpretation, after the date hereof of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in case they are relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

The subscription of the Notes cannot be funded, directly or indirectly, by the Issuer. The Notes cannot be subscribed by the Issuer, an entity included in the same resolution group or an undertaking in which the Issuer has a direct or indirect participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of that undertaking, as long as the Notes are used also for the purpose of meeting the prudential requirements applicable to the Issuer.

GENERAL INFORMATION

Approval, listing and admission to trading

This Base Prospectus has been approved by the Central Bank of Ireland as a base prospectus. Application has been made for Notes issued under the Programme to be listed on the official list of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin.

Notes may also be issued pursuant to the Programme which are admitted to listing, trading and/or quotation by such competent authority, stock exchange and/or quotation system as the Issuer(s) and the relevant Dealer(s) may agree or which are not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system. In particular, application may be made for Notes to be admitted to listing on the MOT and, for this purpose, the Central Bank of Ireland has been requested to provide CONSOB, as competent authority in the Republic of Italy under the Prospectus Regulation, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation (an “**Approval Notification**”). The Issuer may request the Central Bank of Ireland to provide competent authorities in additional host Member States within the European Economic Area with an Approval Notification.

Pursuant to Article 25 of the Prospectus Regulation, the Central Bank of Ireland may, at the request of the Issuer, send to the competent authority of another Member State of the European Economic Area: (i) a copy of this Base Prospectus, and (ii) a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Authorisations

The 2025 update of the Programme has been authorised by a resolution of the Board of Directors of the Issuer dated 8 May 2025. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 81560026D234790EB288.

Conditions for Determining Price

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

Litigation

There are no governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group and, so far as the Issuer is aware, no such proceedings are pending or threatened.

No material adverse change / significant change

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements, and there has been no significant change in the financial performance or position of the Group since the end of the last financial period for which audited or interim consolidated financial information has been published.

Indication of yield

For any Tranche of Fixed Rate Notes, the relevant Final Terms will provide an indication of the yield. As set out in those Final Terms, the yield will be calculated at the Issue Date on the basis of the Issue Price but should not be regarded as an indication of future yield.

Documents available

Copies of the following documents may be available for inspection on the Issuer's website (www.bancodesio.it) for ten years from their publication and, for so long as the Programme remains in effect or any Notes remain outstanding:

- (a) the Issuer'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/Articles_of_Association_2024_DEF_EN.pdf
- (b) the Issuer's unaudited consolidated half-year financial statements as at and for the six months ended 30 June 2025, available at:
https://www.bancodesio.it/sites/default/files/docs/Consolidated%20Half-Year%20Financial%20Report%20at%2030%20June%202025_1.pdf
- (c) Issuer's audited consolidated and non-consolidated annual financial statements, together with the consolidated non-financial report, as at and for the year ended 31 December 2024, available at:
<https://www.bancodesio.it/sites/default/files/docs/Annual%20Financial%20Report%20at%2031%20December%202024.pdf>
- (d) Issuer's audited consolidated and non-consolidated annual financial statements as at and for the year ended 31 December 2023, available at:
<https://www.bancodesio.it/en/content/financial-statements-and-reports-31-december-2023>
- (e) a copy of this Base Prospectus, any supplements thereto, if any, or further Base Prospectus and any other documents incorporated herein or therein by reference, available at:
<https://www.bancodesio.it/en/investor-relations/rating-e-prospetti-emtn-e-covered-bonds>
- (f) any future audited consolidated and non-consolidated annual report published by the Issuer after the date of this Base Prospectus;
- (g) any future unaudited consolidated and/or non-consolidated interim report published by the Issuer after the date of this Base Prospectus;
- (h) the Issuer's Green Bond Framework dated 18 July 2024, available at:
https://www.bancodesio.it/sites/default/files/Green_Bond_Framework_luglio_2024_0.pdf
- (i) the Second Party Opinion dated 18 July 2024 released by ISS Corporate Solutions Inc. available at:
https://www.bancodesio.it/sites/default/files/Second_Party_Opinion_luglio_2024_english_version.pdf
and
- (j) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, except in the case of any Notes which are not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, in which case the relevant Final Terms will only be available for inspection by the relevant Noteholders and each such Noteholder must produce evidence satisfactory to the Issuer as to its holding of Notes and identity.

Unless specifically incorporated by reference into this Base Prospectus, information contained on the Issuer's website does not form part of this Base Prospectus.

In addition, this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Euronext Dublin's regulated market and each document incorporated by reference are available on the Euronext Dublin's website (www.euronext.com/en/markets/dublin). Final Terms relating to Notes which are admitted to trading on the regulated market MOT organised and managed by Borsa Italiana S.p.A. are available on the Issuer's website (<https://www.bancodesio.it/it/investor-relations/rating-e-prospetti-emtn-e-covered-bonds>).

Independent Auditors

On the basis of the resolution of the shareholders' meeting of the Issuer dated 23 April 2020, KPMG S.p.A. have been appointed as auditors of the Issuer for the period 2021 to 2029, pursuant to articles 13, first paragraph and 17, first paragraph of Legislative Decree No. 39 of 2010. KPMG S.p.A., with its registered office in Milan, Via Vittor Pisani, No. 25, are registered in the Register of Certified Auditors (*Registro dei Revisori Legali*) held by the Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012. KPMG S.p.A. is also member of Assirevi, the Italian association of auditing firms.

KPMG S.p.A. audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer as at and for the year ended 31 December 2023 and 31 December 2024, and has performed a limited review on the unaudited consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2025.

Potential conflicts of interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in lending, advisory, investment banking and/or commercial banking or other related transactions with and may perform services for the Issuer and its affiliates in the ordinary course of business and/or with companies involved directly or indirectly in the sectors in which the Issuer operates. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk or other trading activities. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or its affiliates routinely hedge their credit exposure to the Issuer and/or its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" also includes parent companies.

The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue/offer of Notes under the Programme.

Third party information

The Issuer confirms that any information that has been sourced from a third party has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Clearing of the Notes

The Notes have been accepted for clearance by Euronext Securities Milan. The Notes will be held in dematerialised form on behalf of their beneficial owners, until their redemption or cancellation, by Euronext Securities Milan, for the account of the relevant Euronext Securities Account Holders (including Euroclear and Clearstream, Luxembourg). The relevant Final Terms shall specify any other clearing system that has been accepted the relevant Notes for clearance together with any further appropriate information.

The registered office and principal place of business of Euronext Securities Milan is Piazza degli Affari 6, 20123 Milan, Italy.

Websites

The information on websites referred to in this Base Prospectus does not form part of the prospectus and has not been scrutinised or approved by the competent authority, except websites related to the documents incorporated by reference.

ISSUER AND PAYING AGENT

Banco di Desio e della Brianza S.p.A.

Via Rovagnati, 1
20832 Desio
Italy

ARRANGER AND DEALER

Intesa Sanpaolo S.p.A.

Divisione IMI Corporate & Investment Banking
Via Manzoni 4
20121 Milan
Italy

LEGAL ADVISERS

To the Issuer as to Italian law

Chiomenti

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To the Arranger and Dealer as to Italian law

Gianni & Origoni

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United Kingdom

INDEPENDENT AUDITORS TO THE ISSUER

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LISTING AGENT

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