

Base Prospectus



CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE S.p.A.

(incorporated as a company limited by shares under the laws of the Republic of Italy)

€750,000,000 Euro Medium Term Note Programme

Under the €750,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus, Cassa Centrale Raiffeisen dell'Alto Adige S.p.A. ("**Cassa Centrale Raiffeisen**" or the "**Issuer**") may from time to time issue certain non-equity securities ("**Notes**") in bearer form denominated in any currency, as described in further detail herein. The Notes issued by the Issuer may be governed by English law (the "**English Law Notes**") or by Italian law (the "**Italian Law Notes**" and together with the English Law Notes, the "**Notes**").

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 6(4) of the Luxembourg Law dated 16 July 2019. This Base Prospectus will be published in electronic form, together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Applications have 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 official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU. 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 or (ii) not be admitted to listing, trading or quotation by any competent authority, stock exchange and/or quotation system.

EU BENCHMARKS REGULATION - Interest amounts payable under the Notes may be calculated by reference, *inter alia*, to EURIBOR or CMS, or such other reference rate as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute ("**EMMI**", as administrator of EURIBOR) is included in the European Securities and Markets Authority's ("**ESMA's**") register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**"). As at the date of this Base Prospectus, ICE Benchmark Administration (as administrator of CMS) does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that ICE Benchmark Administration is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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 7 July 2023) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). For these purposes, reference(s) to 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 page 19.**

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 7 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.

Arranger

IMI – Intesa Sanpaolo

Dealers

IMI – Intesa Sanpaolo

DZ BANK AG

Commerzbank

Raiffeisen Bank International AG

7 July 2022

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IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus in respect of all Notes for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

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.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the English Law Notes*" (the "**Terms and Conditions of the English Law Notes**") or "*Terms and Conditions of the Italian Law Notes*" (the "**Terms and Conditions of the Italian Law Notes**") and, together with the Terms and Conditions of the English Law Notes, the "**Conditions**"), together with a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such tranche (the "**Drawdown Prospectus**").

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein 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. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. The Issuer accepts responsibility for the information contained in the Final Terms/Drawdown Prospectus, as the case may be, for each Tranche of Notes issued under the Programme.

The Terms and Conditions of the English Law Notes include summaries of, and are subject to, the detailed provisions of an agency agreement dated 7 July 2022 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement for the English Law Notes**"). In respect of the Italian Law Notes, the Terms and Conditions of the Italian Law Notes include summaries of, and are subject to, the detailed provisions of an agency agreement dated 7 July 2022 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement for the Italian Law Notes**").

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 CSSF.

The Issuer has confirmed to the Dealers named under "*Certain Definitions*" below that this Base Prospectus (including, for this purpose, each relevant Drawdown Prospectus and 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.

Potential investors should note that, under the Central Securities Depositories Regulation of the EU, a trade in the secondary markets within the EU generally is required to settle in two business days unless the parties to such trade expressly agree otherwise. Accordingly, investors who wish to trade interests in Notes in the EU on the trade date relating to such Notes or the next business day will likely be required, by virtue of the fact that the Notes initially will likely settle on a settlement cycle longer than

two business days, to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement.

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 prospects or financial or trading position 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 constitutes an offer or an invitation to subscribe for or purchase any Notes and should not 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 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 condition (financial or otherwise), prospects and credit-worthiness of the Issuer.

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) 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.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €750,000,000 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 Dealer 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 Dealer Agreement.

ESG ratings

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Base Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Dealers or any other person to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the evaluation methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Base Prospectus).

Notes issued as Green Bonds, Social Bonds, Sustainability Bonds or Climate Bonds

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green Bonds, Social Bonds, Sustainability Bonds or Climate Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Bonds, Social Bonds, Sustainability Bonds or Climate 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, Social Bonds, Sustainability Bonds or Climate 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", "sustainable", "social" 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.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms (or the Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "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 or superseded "EU MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "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 "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 PRIIPs Regulation.

IMPORTANT - UK RETAIL INVESTORS – If the Final Terms (or the Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "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 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 it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; 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 Directive (EU) 2016/97, 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 it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (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.

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 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 EU MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593 (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.

The Final Terms or Drawdown Prospectus, as the case may be, in respect of any Notes will 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 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.

UK MiFIR product governance / target market - The Final Terms in respect of any Notes will 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 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 UK MiFIR product governance rules set out in 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.

The Programme also allows for Notes to be unlisted or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer. Notes issued pursuant to the Programme may also be rated or unrated. 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. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme or the rating(s) assigned to

Notes already issued. Where an issue of Notes is rated, its rating will be specified in the Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (as amended) (the "**EU CRA Regulation**") or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. 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 or (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. In general, UK 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 UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority (the "**ESMA**") is obliged to maintain on its website, <https://www.esma.europa.eu/page/Listregistered-and-certified-CRAs>, a list of credit rating agencies registered and certified in accordance with the EU CRA Regulation.

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 may wish to 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 are 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.

* * *

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.

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 English Law Notes and/or the Italian Law Notes, as the case may be, set out in this Base Prospectus in the section "*Terms and Conditions of the English Law Notes*" and in the section "*Terms and Conditions of the Italian Law Notes*" and any reference to a numbered "**Condition**" is to the correspondingly numbered provision of the Conditions of the English Law Notes and/or the Conditions of the Italian Law Notes, as the case may be;
- (iv) the "**EU CRA Regulation**" means Regulation (EU) No. 1060/2009 on credit rating agencies, as amended;
- (v) the "**UK CRA Regulation**" means Regulation (EU) No 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018;
- (vi) the "**Dealers**" means Intesa Sanpaolo S.p.A., Commerzbank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and Raiffeisen Bank International AG, 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;
- (vii) 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;
- (viii) "**Euroclear**" means Euroclear Bank SA/NV;
- (ix) "**ICSDs**" means Clearstream; Luxembourg and Euroclear;
- (x) "**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 subsequently amended from time to time;
- (xi) The "**Issuer**" means Cassa Centrale Raiffeisen dell'Alto Adige S.p.A.;
- (xii) references to a "**Member State**" are to a Member State of the European Economic Area;
- (xiii) 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; and
- (xiv) the "**Securities Act**" means the United States Securities Act of 1933 (as amended);

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising 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 Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising 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 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 "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes*".

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.

STATISTICS ON ECONOMIC PERFORMANCE OF THE REGION OF TRENTO ALTO-ADIGE AND THAT OF ITALY

This Base Prospectus contains information and statistics regarding the economic performance of the region of Trentino Alto-Adige and that of Italy as a whole, which are derived from, or are based upon, the Issuer's analysis of data obtained from the Bank of Italy, ISTAT (*Istituto Nazionale di Statistica* or the Italian National Statistics Office) and ASTAT (*Istituto Provinciale di Statistica* or the Provincial Statistics Office of the Autonomous Province of Bolzano). Such data have been reproduced accurately in this Base Prospectus and, as far as the Issuer is aware and is able to ascertain from information published by those bodies, no facts have been omitted which would render such reproduced information inaccurate or misleading.

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).

In line with the guidance contained in the update of the document "ESMA 32_51_370 – Questions and answers ESMA guidelines on Alternative Performance Measures (APMs)" published on 17 April 2020, no changes have been made to the APMs to take into account the effects of the Covid-19 crisis.

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

APM	Definition/reconciliation	Relevant Use
Total gross exposure to customers	The sum of gross non-performing loans and gross performing loans (taken from schedules to annual report)	To show the Issuer's total gross exposure to customers composed by the gross non-performing and performing loans.
Gross bad loans / total gross exposure to customers	Ratio between (i) gross bad loans and (ii) gross exposure to customers (taken from schedules to annual report)	This measure shows how the Issuer's gross bad loans relate to the total gross exposure to customers.
Bad loans loss provision / gross bad loans	Ratio between (i) bad loans loss provision and (ii) gross bad loans (taken from schedules to annual report)	This measure shows how the Issuer's bad loans loss provision relates to the gross bad loans.
Net bad loans / total net loans	Ratio between (i) net bad loans and (ii) total net loans (taken from schedules to annual report)	This measure shows how the Issuer's net bad loans relate to the total net exposure to customers.
Gross unlikely to pay loans / total gross exposure to customers	Ratio between (i) unlikely to pay loans and (ii) total gross exposure to customers (taken from schedules to annual report)	This measure shows how the Issuer's gross unlikely to pay loans relate to the total gross exposure to customers.
Unlikely to pay loans loss provision / gross unlikely to pay loans	Ratio between (i) unlikely to pay loans loss provision and (ii) gross unlikely to pay loans (taken from schedules to annual report)	This measure shows how the Issuer's unlikely to pay loans loss provision relates to the gross unlikely to pay loans.
Net unlikely to pay loans / total net loans	Ratio between (i) net unlikely to pay loans and (ii) total net loans (taken from schedules to annual report)	This measure shows how the Issuer's net unlikely to pay loans relate to the total net exposure to customers.

The Issuer believes that the above APMs provide useful information to investors regarding the 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; although it should be noted that, since not all banks calculate APM in the same manner, these measures are not always comparable.

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 the Base Prospectus as a whole, including any information incorporated by reference.

Words and expressions defined in "Terms and Conditions of the English Law Notes" and "Terms and Conditions of the Italian Law 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. Unless otherwise specified, the term "Terms and Conditions" or "Conditions" shall refer to both the Terms and Conditions of the English Law Notes and the Terms and Conditions of the Italian Law Notes and any reference to a "Condition" shall be to both a Condition under the Terms and Conditions of the English Law Notes and a Condition under the Terms and Conditions of the Italian Law Notes.

Issuer:	Cassa Centrale Raiffeisen dell'Alto Adige S.p.A.
Issuer's Legal Entity Identifier (LEI):	529900N2ZB1B52JB2F83
Arranger:	Intesa Sanpaolo S.p.A.
Dealers:	Intesa Sanpaolo S.p.A. Commerzbank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Raiffeisen Bank International AG 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.
Fiscal Agent:	The Bank of New York Mellon, London Branch
Luxembourg Listing Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Listing, approval and admission to trading:	<p>This document has been approved by the CSSF as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer, with notification to the relevant Dealer(s) in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to trading on</p>

the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.

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.

Clearing Systems:

Euroclear and/or Clearstream, Luxembourg 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:

€750,000,000 (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 terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the English Law Notes or the Terms and Conditions of the Italian Law Notes, together with the relevant Final Terms.

Forms of Notes:

Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not specified in the relevant Final Terms as a New Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is specified in the relevant Final Terms as a New Global Note will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms.

Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon (as defined in Condition 2) for further Coupons.

For further information, see the section of this Base Prospectus entitled "*Forms of the Notes*".

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 Condition 4 (*Status of Senior Notes*), Condition 5 (*Status of Senior Non-Preferred Notes*) and Condition 6 (*Status of Subordinated Notes*).

(1) Status of Senior Notes:

Senior 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).

(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 and any related Coupons constitute direct, unconditional, unsubordinated, unsecured and non-preferred obligations of the Issuer, ranking (i) junior to Senior 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 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 the winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *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, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated unsecured creditors (including depositors and any holder of Senior Notes, Senior Non-Preferred Notes and their respective Coupons) 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 and Senior Non-Preferred 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.

In the case of Senior Non-Preferred Notes, unless otherwise permitted by current laws, regulations, directives and/or the Regulatory Authority's requirements applicable to the issue of Senior Non-Preferred Notes by the Issuer, Senior Non-Preferred Notes shall have a maturity of not less than twelve months.

Unless otherwise permitted by current laws, regulations, directives and/or the requirements of the Regulatory Authority, Subordinated Notes must 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 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 and Senior Non-Preferred Notes pursuant to Condition 11(a) (*Scheduled Redemption*) and any early redemption pursuant to Condition 11(b) (*Redemption for Tax Reasons*), Condition 11(c) (*Redemption for Regulatory Reasons*) and Condition 11(d) (*Redemption at the Option of the Issuer*) 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 11(a) (*Scheduled Redemption*) and any early redemption pursuant to Condition 11(b) (*Redemption for Tax Reasons*), Condition 11(c) (*Redemption for Regulatory Reasons*) and Condition 11(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 and Senior Non-Preferred Notes only) the Noteholders to the extent (if at all) specified in the relevant Final Terms.

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. If the Notes are Senior Non-Preferred Notes, the Optional Redemption Date (call) must not be earlier than 12 months after the Issue Date.

Tax or Regulatory Redemption:

Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons or, in the case of Subordinated Notes, for regulatory reasons, as described in Conditions 11(b) (*Redemption for tax reasons*) and 11(c) (*Redemption for regulatory reasons*) respectively. Early redemption of Subordinated Notes will in any event be subject to the prior approval of the Regulatory Authority.

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 9(j) provides for certain fallback arrangements in the event that a Benchmark Event (as described in Condition 9(j)) 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 appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 9(j)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 9(j) (iii)), as well as any Benchmark Amendments (in accordance with Condition 9(j) (iv)). See Condition 9(j) 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 each Note issued under the Programme will be €100,000 and, in the case of Senior Non-Preferred Notes, €150,000 (or the equivalent amount where the Notes are denominated in a currency other than euro) and, in the case of Subordinated Notes, €200,000 (or 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 Italy or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer will (subject to the exceptions set out in Condition 13 (*Taxation*)) pay such additional amounts in respect of principal for the Senior Notes not qualifying at such time as liabilities that are eligible to meet the MREL Requirements only and in respect of interest for any Notes, 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.

As more fully set out in Condition 13 (*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 English Law Notes:

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by English law, except for Conditions 4 (*Status of Senior Notes*), 5 (*Status of Senior Non-Preferred Notes*), 6 (*Status of Subordinated Notes*), 14 (*Events of Default*) and 24 (*Contractual Recognition of Bail-in Powers*) and any non-contractual obligations arising out of or in connection with such Conditions, which will be governed by Italian law.

Governing Law of the Italian Law Notes:

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

Enforcement of Notes in Global Form:

In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 7 July 2022, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

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.

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 by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, EEA 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 or (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. In general, UK 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

UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Rights under the Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

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

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

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

The Issuer believes that the matters described below represent the principal risks inherent in investing in 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 significant 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 and those specific to the Notes are presented respectively in three separate categories, in each case with the most material risk factor presented first in each category and the remaining risk factors presented in an order which is not intended to be indicative either of the relative likelihood that each risk will materialise or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer. Additional risks and uncertainties relating to the Issuer and the industries in which it operates that are not currently known to the Issuer or which it currently deems immaterial may also, either individually or cumulatively, have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer. If any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in "Forms of the Notes", "Terms and Conditions of the English Law Notes" and "Terms and Conditions of the Italian Law 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. Unless otherwise specified, the term "Terms and Conditions" or "Conditions" shall refer to both the Terms and Conditions of the English Law Notes and the Terms and Conditions of the Italian Law Notes and any reference to a "Condition" shall be to both a Condition under the Terms and Conditions of the English Law Notes and a Condition under the Terms and Conditions of the Italian Law Notes.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

The risks below have been classified into the following categories:

- 1. Risks relating to general economic conditions;*
- 2. Risks related to the Issuer's business activities and industry;*
- 3. Risks relating to changes to regulatory framework.*

1. Risks relating to general economic conditions

Risks related to the sanitary crisis «Covid-19»

The outbreak of Covid-19 pandemic, which began in China in December 2019 and expanded globally in a few months, has had and is still having negative consequences on the overall scenario and in turn on the Italian banking sector in which the Issuer operates. The measures implemented by the competent

authorities and mainly the Italian Government helped facing the health emergency although massive negative consequences in human, social and economic terms derived from the pandemic. This could lead to increased pressure on the Issuer's clients together with operational constraints including but not limited to reduced operating hours, lost sales opportunities and increased operating costs which could result in higher than expected credit losses for the Issuer.

The persistence of the spreading of Covid-19 could continue having a negative impact on global economy and the ability of the Issuer's customers to service their debt and comply with their contractual obligations. The degree of which Covid-19 affects the Issuer's results, liquidity, access to funding and financial position will depend on future developments, which at the date of this Prospectus are uncertain and cannot be predicted.

Risks associated with the Russian invasion of Ukraine

The ongoing Russian invasion of Ukraine, which was launched on 24 February 2022, together with the imposition of sanctions and export controls against Russia and Russian interests by a number of countries including the European Union, has already had a significant impact on the European and global economy, with greater market volatility and inflation, with particularly significant increases in the prices of energy and natural gas. As at the date of this Base Prospectus, it is not possible to predict the broader consequences of the invasion, which could include further sanctions, export controls and embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains and financial markets, all of which could, either directly or indirectly, have an adverse impact on the Issuer's business, financial condition and results of operations.

Risks arising from a sovereign credit rating change

The Issuer's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of Notes issued under the Programme are downgraded.

Risks related to financial and macroeconomic conditions in global and domestic markets

The Issuer's operations are concentrated in Italy and its business, financial condition and results of operations are significantly affected by the general economic situation in Italy which, in turn, is closely linked to the state of the wider economy, both at EU level and worldwide. A number of uncertainties remain in the current macroeconomic environment, namely:

- the consequences of the Russian invasion of Ukraine, the impact of European Union sanctions on Russia and the risk of the conflict spreading elsewhere;
- the impact of Covid-19 on global growth and individual countries;
- trends in the economy and the prospects of recovery and consolidation of the economies of developed countries such as the US and China;
- the trend towards protectionism driven by U.S. government policy and the outcome of the trade dispute between the US and China;
- future development of the monetary policy of the European Central Bank in the Euro area, the Federal Reserve System, and in the Dollar area, and the policies implemented by other countries aimed at promoting competitive devaluations of their currencies;
- concerns over the long-term sustainability of the European single currency; and

- the sustainability of the sovereign debt of certain countries and related recurring tensions on the financial markets.

In addition, the global economy, the condition of the financial markets, adverse macroeconomic developments in the Issuer's primary markets and any future sovereign debt crisis in Europe may all significantly influence the Issuer's performance. The Issuer's earning capacity and stability can be affected by the overall economic situation and by the dynamics of the financial markets. Moreover, the economy in Italy, the Issuer's principal market, has been affected in recent years by a significant slowdown as well as an increased focus in terms of legislative and regulatory policies. More recently, the containment measures taken in Italy to tackle the Covid-19 outbreak significantly reduced economic activity and the reintroduction of any such measures could result in local, regional or national recessions.

All of the above factors, in particular in times of economic and financial crisis, could result in an increase in the Issuer's borrowing costs, a slowdown in its ordinary business and/or a decline in its asset values, all of which could have an adverse impact on the Issuer's business, financial condition and results of operations.

Market declines and volatility

The results of the Issuer may be affected by general economic, financial and other business conditions. During a recession, there may be less demand for loan products and a greater number of the Issuer's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Issuer's borrowers and counterparties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

Protracted market declines and reduced liquidity in the markets

In some of the Issuer's businesses, protracted adverse market movements, particularly the decline of asset prices, can reduce market activity and market liquidity. These developments can lead to material losses if the Issuer cannot close out deteriorating positions in a timely way. This may especially be the case for assets that did not enjoy a very liquid market to begin with. The value of assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may be calculated by the Issuer using models other than publicly quoted prices. Monitoring the deterioration of the prices of assets like these is difficult and failure to do so effectively could lead to unanticipated losses. This in turn could adversely affect the Issuer's operation results and financial condition.

In some of the Issuer's businesses, protracted or steep declines in the stock or bond markets in Italy and elsewhere may adversely affect the Issuer's securities trading activities and its asset management services, as well as the Issuer's investments in and sales of products linked to the performance of financial assets.

Changes in interest rates

Changes in interest rate levels may affect the interest rate margin realised between lending and borrowing costs. The Issuer earns interest from loans and other assets and pays interest to its depositors and other creditors. The Issuer's results of operations are therefore dependent to a great extent on its net interest income, which is the difference between the yield on its interest-bearing assets and the cost of its interest-bearing liabilities. This varies according to prevailing interest rates and is a significant factor in determining the profitability of the Issuer. Reductions in interest rates or compression of the interest rate spread may result in a decrease in the amount of net interest income generated by the Issuer and its net interest income, either or both of which could have a material adverse effect on

the business, results of operations and financial condition of the Issuer and its obligations under the Notes.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including fiscal and monetary policies of governments and central banks in the jurisdictions in which the Issuer operates. In particular, the effect of the EU's Economic and Monetary Union and the policies of the government of the Republic of Italy are significant for the Issuer and are subject to change.

Risks associated with the economic context and consequences of the United Kingdom's exit from the European Union (Brexit)

On 31 January 2020, the UK withdrew from the European Union. On 24 December 2020, the EU and UK announced they had reached an agreement on trade and future cooperation (the "TCA"), which has since been ratified by the parliaments of both the UK and the EU, and is therefore in full force and effect. The TCA generally provides for tariff-free import and export of goods between the EU and the UK, subject to detailed rules of origin aimed at ensuring that preferential tariffs are only given to goods that originate in the UK or the EU, and not from countries outside the UK and the EU member states.

However, the TCA makes only limited provision in relation to non-tariff barriers to the movement of goods and does not contain extensive provisions for the supply of services and the movement of labour. As a result, concerns remain on the impact of the UK's exit from the EU (so-called "Brexit") on the previously free movement of goods, services, capital and labour between the EU and the UK, and any adverse economic consequences. In the financial services industry in particular, Brexit has ended mutual access between the UK and the EU for operators in that sector under the EU's so-called passporting regime and the TCA has not provided for any alternative framework. In addition, there is an ongoing disagreement between the UK and the EU over implementation of the arrangements for Northern Ireland in the Withdrawal Agreement (the so-called Northern Ireland Protocol), which are designed to avoid a hard border between Northern Ireland and the Republic of Ireland and to safeguard the integrity of the EU's single market for goods, while also facilitating free movement of goods between Northern Ireland and the rest of the United Kingdom, as well as the inclusion of Northern Irish goods in trade agreements entered into by the United Kingdom and third countries.

As a result, there are significant uncertainties over the impact of Brexit and how it might affect the EU and, in particular, the financial services sector. In addition, Brexit has also given rise to concerns that it might result in calls for the governments of other EU member states to consider a potential withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets, which could in turn depress economic activity and restrict the access to capital of the Issuer.

Until the nature of the UK's future relationship with the EU is clearer, it is not possible to determine the impact that Brexit and/or any related matters may have on the stability of the Eurozone or the EU and, ultimately, on the Issuer's business. However, any long-term dispute between the EU and the UK could adversely affect the Issuer's business, financial condition and results of operations, as well as the market value and/or the liquidity of the Notes on the secondary market.

2. Risks related to the Issuer's business activities and industry

Risks concerning liquidity

The Issuer's businesses are subject to risks concerning liquidity which are inherent in its banking operations and could affect the Issuer's ability to meet its financial obligations as they fall due or to fulfil its commitments to lend. In order to ensure that the Issuer continues to perform its funding activities

and to maintain or grow its business generally, it relies on customer savings and transmission balances, as well as on-going access to the wholesale lending markets. The ability of the Issuer to access wholesale and retail funding sources on favourable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as liquidity constraints, general market conditions and confidence in the Italian banking system.

The global financial crisis and resulting financial instability have significantly reduced the levels and availability of liquidity and term funding. In particular, the perception of counterparty credit risk between banks has increased significantly, resulting in further reductions in inter-bank lending and the level of confidence from banks' customers. Should the Issuer be unable to continue to source a sustainable funding profile, under such funding and liquidity environment, the Issuer's ability to fund its financial obligations at a competitive cost, or at all, could be adversely affected.

Competition in the Italian market

Competition is intense in all of the Issuer's primary business areas in Italy. The Issuer derives nearly all of its banking income from its banking activities in Italy, a market where competitive pressures have been increasing quickly and which has been going through a process of consolidation, with large banking groups undergoing mergers and acquisitions to achieve greater economies of scale. Larger banks are in a better position to take advantage of economies of scale and to spread fixed costs and investments, for example in information technology, over a large number of clients. Larger banks also have greater financial and operational resources than smaller banks such as the Issuer. If the Issuer is unable to continue to respond to the competitive environment in Italy with attractive product and service offerings that are profitable for the Issuer, it may lose market share in important areas of its business or incur losses on some or all of its activities. 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.

Small local market

The Issuer is a small Italian savings bank, based in the Italian autonomous region of Trentino-Alto Adige/Südtirol and has local operations concentrated principally in the north-east of Italy. Accordingly, the Issuer's market is limited. The Issuer's loan portfolio is geographically narrow and is concentrated in industries that mirror the local economy. At the same time, there can be no assurance that the Issuer will maintain its niche position in the future. Any downturn in economic conditions affecting the Issuer's local market and the main industries in that area (such as tourism) may have a material adverse effect on the Issuer's financial condition and results of operations.

Risks arising from the reform of the cooperative banks

Following the enactment of Law No. 49 of 8 April 2016 providing for the reform of the Italian credit cooperative banks, and the subsequent Law Decree No. 119/2018 converted into Law No. 136 of 17 December 2018, the co-operative banks of the province of Bolzano (the "**Raiffeisen Banks**") (the Issuer's shareholders) obtained the possibility to choose between the creation of a cooperative banking group or an institutional protection scheme according to article 113, paragraph 7 of the CRR ("**IPS**").

In December 2018, in order to maintain their independence, the Raiffeisen Banks opted for an IPS, which the Issuer also decided to join. The key objective of the IPS is to protect the member institutions providing a solidarity mechanism. The central pillar of the IPS is the guarantee scheme covering all liabilities of the Issuer and the other members of the IPS. In this context, it is relevant to note that the guarantee scheme will oblige the Issuer and all other members of the IPS to commit part of the own funds, if necessary, in order to provide the financial support required to fulfil the guarantee obligations. The amount of own funds to be pledged is limited to those own funds in excess of the regulatory obligations.

The newly established cooperative entity "Raiffeisen IPS" received the authorisation from the Bank of Italy in November 2020.

Against this background, in addition to the risk relating to the Issuer, investors could, from the constitution of the IPS onwards, also be exposed to the risk of other banks, members of the IPS.

Credit and market risk

To the extent that any of the instruments and strategies used by the Issuer to hedge or otherwise manage its exposure to credit or market risk are not effective, the Issuer may not be able to mitigate effectively its risk exposure in particular market environments or against particular types of risk. The Issuer'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. The Issuer's financial results also depend upon how effectively the Issuer determines and assesses the cost of credit and manages its own credit risk and market risk concentration.

Risk management and exposure to unidentified or unanticipated risks

The Issuer has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risks and intends to continue to do so in the future. Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks, including risks that the Issuer fails to identify or anticipate. If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, the Issuer's reputation as well as its revenues and profits may be negatively affected.

Operational risk

The Issuer, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty information technology or telecommunication systems. Although the Issuer's systems and processes are designed to ensure that the operational risks associated with the Issuer's activities are appropriately monitored, any failure or weakness in these systems could adversely affect the Issuer's financial performance and business activities.

Impact of events which are difficult to anticipate

The Issuer's earnings and business may be affected by general economic conditions, the performance of financial markets, interest rate levels, currency exchange rates, changes in laws and regulation, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank, and competitive factors, at a regional, national and international level. Each of these factors can change the level of demand for the Issuer's products and services, the credit quality of borrowers and counterparties, the interest rate margin of the Issuer between lending and borrowing costs and the value of the Issuer's investment and trading portfolios.

3. Risks relating to changes to regulatory framework

Changes in regulatory framework

The Issuer is subject to extensive regulation and supervision by the Bank of Italy, the *Commissione Nazionale per le Società e la Borsa* or "CONSOB" (the Italian financial markets regulator), the European Central Bank and the European System of Central Banks. The banking laws to which the Issuer is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing international financial markets is currently being amended in response to the credit crisis,

and new legislation and regulations are being enacted in Italy and the European Union introducing additional capital requirements which, if not met by the Issuer may limit its operational flexibility.

CRD IV package

In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision (the “**BCBS**”) approved, in the fourth quarter of 2010, revised global regulatory standards (“**Basel III**”) on bank capital adequacy and liquidity, which impose requirements for, *inter alia*, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopted a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.

Subsequently, the BCBS revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio with full implementation in 2019 as well as expanding the definition of high-quality liquid assets to include lower quality corporate securities, equities and residential mortgage-backed securities. In June 2013, the European Parliament and the Council of Europe issued Directive 2013/36/EU (“**CRD IV**”) and Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms, referred to as the EU Capital Requirements Regulation (“**CRR**” and, together with CRD IV, the “**CRD IV Package**”) which incorporate the key amendments of Basel III.

The Issuer is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, as subsequent amended and supplemented, which are affected, on an ongoing basis, by the Supervisory Review and Evaluation Process (“**SREP**”) assessments by the European Banking Authority (“**EBA**”). 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.

Bank Recovery and Resolution Directive

Directive 2014/59/EU of 15 May 2014 (“**BRRD**” or the “**Bank Recovery and Resolution Directive**”) provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. Implemented in Italy under Legislative Decree No. 180 of 16 November 2015, BRRD is designed to provide authorities with a credible set of resolution tools and powers designed (among other things) to protect depositors and investors and to minimise reliance on public financial support. BRRD’s broad range of resolution tools and powers may be used alone or in combination where the relevant resolution authority considers that certain required conditions are met, namely, that an institution is failing or likely to fail, that no alternative private sector measure, or supervisory action, would prevent the failure of the institution within a reasonable timeframe and that the taking of a resolution action is necessary to the public interest.

In addition, BRRD requires institutions to meet at all times a sufficient aggregate amount of own funds and “eligible liabilities” expressed as a percentage of the total liabilities and own funds of the institution (i.e. MREL). The aim is that the minimum amount should be proportionate and adapted for each category of bank on the basis of their risk or the composition of their sources of funding and to ensure adequate capitalisation to continue exercising critical functions post resolution. The final draft regulatory technical standards published by the EBA in July 2015 set out the assessment criteria that resolution authorities should use to determine the MREL for individual firms. 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 such as the Issuer) or to the Single Resolution Board (the “**SRB**”) for banks subject to direct supervision by the ECB under Regulation (EU) No 806/2014 laying down uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (“**SRMR**”).

EU banking reform

On 23 November 2016, the European Commission presented a comprehensive package of reforms to strengthen further the resilience of EU banks (the “**EU Banking Reform**”). Amendments to the BRRD to introduce a new asset class of “non-preferred” senior debt were introduced by Directive (EU) 2017/2399 which came into force on 28 December 2017 and was transposed in Italy by Law No. 205/2017. The EU Banking Reform covers multiple areas, including the Pillar 2 framework, a binding minimum leverage ratio requirement, a binding net stable funding ratio requirement, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macro-prudential tools, the Basel Committee’s new standardised approach for measuring counterparty credit risk exposures, the Basel Committee’s Fundamental Review of the Trading Book, the MREL framework and the integration of the Total Loss-absorbing Capacity (“**TLAC**”) standard into EU legislation.

Subsequently, on 7 June 2019 the following dispositions were published in the Official Journal of the European Union:

- Regulation (EU) No. 2019/876 amending CRR as regards, *inter alia*, the leverage ratio, net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (“**CRR II**”);
- Directive (EU) No. 2019/878 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the “**CRD V**”) (CRR II and CRD V, together, the “**CRD V Package**”);
- Directive (EU) 2019/879 amending BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (otherwise known as “**BRRD II**”); and
- Regulation (EU) 2019/877 amending SRMR as regards the loss absorbing and recapitalisation capacity of credit institutions and investment firms (“**SRMR II**”).

In particular the most significant amendments are as set out below:

- **MREL**: under BRRD II, the rules on the subordination of MREL instruments are strengthened by introducing a new category of large banks (the so-called “top-tier banks”) with a balance sheet size greater than Euro 100 billion, in relation to which more prudent subordination requirements are formulated. National resolution authorities may also select other banks and subject them to the top-tier bank treatment.
- **Leverage Ratio**: the CRD V Package introduces a binding leverage ratio requirement (i.e. a capital requirement independent from the riskiness of exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to CRR, complementing the current requirements under the CRD IV Package to calculate the leverage ratio, to report it to supervisors and, since January 2015, to disclose it publicly.
- **Net Stable Funding Ratio (“NSFR”)**: the CRD V Package introduces the NSFR standard agreed by the Basel Committee but including some adjustments concerning, for example, the treatment of short-term transactions with financial institutions, applying for a transitional period of four years,

after which the Basel standard is expected to apply unless the European Commission submits a legislative proposal to amend the treatment of short-term transactions. The CRD V Package also allows small and non-complex institutions to use a simplified and less granular version of the NSFR, subject to supervisory approval based on factors including the size of assets, trading book and derivative positions.

CRD V was transposed into Italian legislation by means of Legislative Decree No. 182 of 8 November 2021 and BRRD II by means of Legislative Decree No. 193 of 8 November 2021.

Effective management of the Issuer's regulatory capital and liquidity is critical to its ability to operate its business and to pursue its strategy. Any change that limits the Issuer's ability to manage its balance sheet and regulatory capital and liquidity resources effectively, including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk weighted assets, changes in its asset composition, delays in the disposal of certain assets or an inability to receive loans as a result of market conditions or otherwise to access funding sources, could have a material adverse impact on the Issuer's business, financial condition, results of operations and regulatory capital position.

Significant uncertainty remains around the implementation of some of these initiatives and how they are ultimately applied may have a material effect on the Issuer's business and operations. In addition, regulators and supervisory authorities are taking an increasingly strict approach to regulations and their enforcement that may not be to the Issuer's benefit. A breach of any regulations by the Issuer could lead to intervention by supervisory authorities. The Issuer may also become subject to new regulations and guidelines, which may require additional investments in systems and people and compliance with which may place additional burdens or restrictions on the Issuer. As this new framework of banking laws and regulations is still in the process of being implemented, the manner in which they will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not restrict the operations of the Issuer or otherwise have an adverse effect on its business, financial condition, cash flows and results of operations or on the rights of Noteholders as creditors of the Issuer. Prospective investors in the Notes should consult their own advisors as to the consequences for them of the application of the above regulations as implemented by each Member State.

Further information regarding BRRD from a Noteholder perspective is set out below under "*The Bank Recovery and Resolution Directive may affect Notes*" below.

Risks relating to the Notes

The risks below have been classified into the following categories:

1. *Risks related to Notes generally;*
2. *Risks related to the structure of a particular issue of Notes;*
3. *Risks related to the market generally.*

1. Risks related to the Notes generally

The Bank Recovery and Resolution Directive may affect Notes

As described in "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes - Changes in regulatory framework*" above, the BRRD gives wide powers to governments aimed at addressing banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. These include the so-called "bail-in tool", by which resolution authorities would have the power to write down the claims relating to the liabilities of a failing institution that are eligible for bail-in and/or to convert such liabilities into equity. In addition to the bail-in tool, the BRRD provides for additional resolution tools such as (1) the sale of business assets or shares of the entity subject to

resolution; (2) the establishment of a bridging organisation; (3) the separation of the unimpaired assets of the failing organisation from those which are deteriorated or impaired and (4) a bail-in, through write-down/conversion into equity of regulatory capital instruments (including the Subordinated Notes) as well as other liabilities of the Issuer (including the Senior Notes and the Senior Non-Preferred Notes) if the relevant conditions are satisfied and in accordance with the creditors' hierarchy provided under the relevant provisions of Italian law.

The BRRD has required Member States to modify their national insolvency regimes so 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 (as well as unsecured, subordinated creditors), such as holders of the Notes. Furthermore, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, such as holders of corporate deposits or other operating liabilities of the Issuer with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors, as well as unsecured, subordinated creditors (such as holders of the Notes). In this respect, Italian Legislative Decree No. 181/2015 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to liquidation proceedings (and therefore the hierarchy which will apply in order to assess claims pursuant to the safeguard provided for in the BRRD as described above), 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 micro, small and medium-sized enterprises (which benefit from the super-priority required under Article 108 of the BRRD) will benefit from priority over senior unsecured liabilities, though with a ranking which is lower than that provided for individual/ micro, small and medium-sized enterprises deposits exceeding the coverage limit of the deposit guarantee scheme created pursuant to Directive 2014/49/EU.

As a result, significant amounts of liabilities that previously would have ranked *pari passu* with the Senior Notes under the national insolvency regime in Italy will be ranked higher than the Notes in normal insolvency proceedings and, on application of the general bail-in tool, such creditors will be written-down or converted into equity after the Notes, meaning that holders of the Notes will therefore be subject to greater losses than the claims of such other creditors. Furthermore, the right of holders of the Notes have only very limited rights to challenge and/or seek a suspension of any decision by resolution authorities or to have it reviewed by a judicial or administrative process or otherwise.

The measures set out in the BRRD, including the bail-in tool, have already been implemented in Italy, taking effect from 1 January 2016. The powers set out in the BRRD will have a significant impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As a result, holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in their losing some or all of their investment. In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently or convert into equity capital instruments such as Subordinated Notes at the point of non-viability of the financial institution or the group and before any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of Subordinated Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool. 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 group) meets the conditions for resolution (but no resolution action has yet been taken) or that the institution (or group) will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) are written-down or converted or extraordinary public support is to be provided. 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 Condition 4 (*Status of Senior Notes*), Condition 5 (*Status of Senior Non-Preferred Notes*) and Condition 6 (*Status of Subordinated Notes*).

Meetings of Noteholders

Provisions for calling meetings of Noteholders are contained in the Agency Agreement for the English Law Notes and in the Agency Agreement for the Italian Law Notes 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.

Jurisdiction of proceedings related to the Notes

With respect to the English Law Notes, pursuant to Condition 23(d) (*Rights of the Noteholders to take proceedings outside England*) of the Terms and Conditions of the English Law Notes, Noteholders may only take proceedings relating to any dispute arising out of or in connection with the Notes in a Permitted Jurisdiction as defined in the Terms and Conditions of the English Law Notes.

With respect to the Italian Law Notes, pursuant to Condition 23(d) (*Rights of the Noteholders to take proceedings outside Italy*) of the Terms and Conditions of the Italian Law Notes, Noteholders may only take proceedings relating to any dispute arising out of or in connection with the Notes in a Permitted Jurisdiction as defined in the Terms and Conditions of the Italian Law Notes.

Change of law or administrative practice

The Terms and Conditions of the English Law Notes are based on English law in effect as at the date of this Base Prospectus, other than subordination and certain other provisions relating to Subordinated Notes, which are based on Italian law in effect as at the date of this Base Prospectus.

The Terms and Conditions of the Italian Law Notes are Italian law based 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 applicable law or administrative practice after the date of this Base Prospectus.

Waiver of set-off

In each of Condition 4 (*Status of Senior Notes*), Condition 5 (*Status of Senior Non-Preferred Notes*) and Condition 6 (*Status of Subordinated Notes*), each holder of a Senior Note, Senior Non-Preferred 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, Senior Non-Preferred Note or Subordinated Note, as applicable.

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 14 (*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 provide for negative pledge provisions.

In the case of Notes which are issued as Green Bonds, Social Bonds, Sustainability Bonds or Climate Bonds, please also see risk factor "*Notes issued, if any, as "Green Bonds", "Social Bonds", "Sustainability Bonds" or "Climate Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets"*

Reliance on Euroclear and Clearstream, Luxembourg

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Delisting of the Notes

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange 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.

2. Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

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. Potential investors should consider reinvestment risk in the light of other investments available at that time.

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 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 Subordinated Notes*" below. In such 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 than in 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 "**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 Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or the UK 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, of the benchmark. 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 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate

("€STR") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. The euro risk free-rate working group for the euro area has also published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. Actually, although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

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 than it has done in 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 appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 9(j) (*Benchmark Replacement*) of the Terms and Conditions of the English Law Notes and in Condition 9(j) (*Benchmark Replacement*) of the Terms and Conditions of the Italian Law Notes and, if applicable, an Adjustment Spread. Please refer to Condition 2 (*Definition and Interpretation*) of the Terms and Conditions of the English Law Notes and Condition 2 (*Definition and Interpretation*) of the Terms and Conditions of the Italian Law Notes for the full definition of a Benchmark Event. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further 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 9(j) (*Benchmark Replacement*) of the Terms and Conditions of the English Law Notes and with Condition 9(j) (*Benchmark Replacement*) of the Terms and Conditions of the Italian Law 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 and the involvement of an Independent Adviser, 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.

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

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. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

Floating Rate Notes

Notes with variable interest are subject to fluctuations in interest rate levels and can be volatile investments. In particular, there is no assurance that the amount of interest payable on such Notes will remain at any particular level (unless it is subject to a floor). Furthermore, if they are structured to include caps or floors, or a combination of both or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

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, all as determined by an independent adviser. 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) than 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 appoint an independent advisor or the Independent Adviser appointed by it fails 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 and the involvement of an independent adviser, 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.

CMS linked interest Notes

The Issuer may issue Notes with interest determined by reference to a constant maturity swap rate (defined as the "CMS Rate" in "*Terms and Conditions of the Notes of the English Law Notes*" and in "*Terms and Conditions of the Notes of the Italian Law Notes*"). Potential investors should be aware that:

- (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.

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.

Fixed Rate Notes with resetting provisions

Fixed Rate Notes may contain provisions for the resetting of their interest rate. Such Notes will initially bear interest at a particular rate of interest until (but excluding) a Reset Date. On that date and each subsequent Reset Date (if any), the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the relevant Margin as determined by the Calculation Agent on the relevant Reset Determination Date. The applicable rate of interest following any such resetting of interest could be less than the previous rate of interest and could affect the market value of an investment in those 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.

Denominations and restrictions on exchange for Definitive Notes

Notes may be issued in denominations comprising (i) a minimum denomination of €100,000 or its equivalent in another currency or, in the case of Senior Non-Preferred Notes, a minimum denomination of €150,000 or its equivalent in another currency or, in the case of Subordinated Notes, a minimum denomination of €200,000 or its equivalent in another currency, or such other minimum denomination provided by applicable law from time to time (the "**Minimum Denomination**") and (ii) amounts which are greater than the Minimum Denomination but which are integral multiples of a smaller amount (such as €1,000). Where this occurs, Notes may be traded in amounts in excess of the Minimum Denomination that are not integral multiples of the Minimum Denomination. In such a case, a holder who as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes so as to hold an amount equal to an integral multiple of the Minimum Denomination. In addition, definitive Notes which have a denomination that is not an integral multiple of the Minimum Denomination may be illiquid and difficult to trade.

Risk Relating to Senior Notes and Senior Non-Preferred Notes

Italian law applicable to the Senior Non-Preferred Notes was 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, nor include any feature of such derivative securities; and
- (iii) 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:

- (A) 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 (v) 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;
- (B) the senior non-preferred securities, once issued, may not be amended in a manner that the requirements described in paragraphs (i), (ii) and (v) above are not complied with and that any different contractual provision is null and void; and
- (C) 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 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 Notes) and other senior liabilities (such as wholesale deposits).

The Issuer's obligations in respect of the Senior Non-Preferred Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves. In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer, the payment obligations of the Issuer under each Series of Senior Non-Preferred Notes, and the relative Coupons (as defined in Condition 1) as the case may be, will rank in right of payment (i) junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms and/or by provision of law, senior to the Senior Non-Preferred Notes, and (ii) at least *pari passu* without any preferences among themselves, and with all other present or future 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 and 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.

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Senior 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 are new types of instruments

Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non-preferred obligations. The credit ratings assigned to senior non-preferred securities such as the Senior Non-Preferred Notes may change as the rating agencies refine their approaches, and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non-preferred securities such as the Senior Non-Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non-Preferred Notes, since it reflects the increased risk of loss in the event of the Issuer's insolvency. If so, investors may incur losses in respect of their investments in the Senior Non-Preferred Notes.

Senior Non-Preferred Notes are complex instruments that may not be suitable for certain investors

Senior Non-Preferred Notes are novel and complex financial instruments and may not be a suitable investment for certain investors. Each potential investor in the Senior Non-Preferred Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Senior Non-Preferred Notes, including the possibility that the entire principal amount of the Senior Non-Preferred Notes could be lost. A potential investor should not invest in the Senior Non-Preferred Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Senior Non-Preferred Notes will perform under changing conditions, the resulting effects on the market value of the Senior Non-Preferred Notes, and the impact of this investment on the potential investor's overall investment portfolio.

Senior Notes and 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.

In addition, the Senior Notes and Senior Non-Preferred Notes are intended to be eligible liabilities available to meet the MREL Requirements (as defined in the Conditions). However, there is uncertainty regarding the implementation of MREL Requirements as result of the EU Banking Reform, and the Issuer cannot provide any assurance that the Senior Notes or Senior Non-Preferred Notes will be or remain eligible for the purposes of the MREL Requirements.

If Senior Notes or Senior Non-Preferred Notes 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 an MREL Disqualification Event will occur.

In this respect, if at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Senior Non-Preferred Notes, and the applicable Final Terms for the Senior Notes or Senior Non-Preferred Notes of such Series specify that Issuer Call due to a MREL Disqualification Event is applicable, 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 appropriate) with interest accrued to (but excluding) the date of redemption. Senior Notes or Senior Non-Preferred Notes may only be redeemed by the Issuer subject to (to the extent that the Regulatory Authority so requires at the time of the proposed redemption) the Issuer having given such notice to the Regulatory Authority as the Regulatory Authority may then require prior to such redemption and no objection thereto has been raised by the Regulatory Authority or (if required) the Regulatory Authority has provided its consent thereto and any other requirements of the Regulatory Authority applicable (if any) to such redemption at the time have been complied with by the Issuer (including with respect to 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 at the relevant time). A MREL Disqualification Event shall be deemed to have occurred if, by reason of a change in the MREL Requirements as implemented in Italian law and regulations and/or EU regulations, as the case may be, which was not reasonably foreseeable by the Issuer at the Issue Date of the Senior Notes or Senior Non-Preferred Notes, all or part of the aggregate outstanding nominal amount of such Series of Senior Notes or Senior Non-Preferred Notes are or will be excluded fully or partially from the eligible liabilities available to meet the MREL Requirements. The implementation of the minimum requirements for eligible liabilities is subject to the implementation of the EU Banking Reform (as defined in the Conditions) in the EU and in Italy.

If the Senior Notes or 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 Notes or Senior Non-Preferred Notes. In addition, the occurrence of a MREL Disqualification Event could result in a decrease in the market price of the Notes. See also "*- Notes subject to optional redemption by the Issuer*" above.

Redemption and repurchase of the Senior Notes or Senior Non-Preferred Notes may be restricted

Any redemption and repurchase of the Senior Notes and Senior Non-Preferred Notes shall be subject, where applicable, to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by (i) the MREL Requirements at the relevant time (including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Notes or Senior Non-Preferred Notes at such time as eligible liabilities available to meet the MREL Requirements); and (ii) in case of Senior Non-Preferred Notes only, 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 at the relevant time.

In addition, under the EU Banking Reform, the Issuer shall obtain, where applicable, the prior permission of the Regulatory Authority to reduce, call, redeem, repay or repurchase Senior Notes or Senior Non-Preferred Notes which qualify as eligible liabilities available to meet MREL Requirements.

The EU Banking Reform states that the Regulatory Authority would approve the reduction, call, redemption, repayment or repurchase of the Senior Notes or Senior Non-Preferred Notes where any of the following conditions is met in accordance with Article 78a of the CRR:

- (i) on or before such redemption or repurchase of the Senior Notes or Senior Non-Preferred Notes, the Issuer replaces the Senior Notes or Senior Non-Preferred Notes with own funds instruments or eligible liabilities of an equal or higher quality on terms that are sustainable for the income capacity of the relevant Issuer;

- (ii) the Issuer has demonstrated to the satisfaction of the Regulatory Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements for own funds and eligible liabilities set out in the CRD V Directive or the BRRD (or, in either case, any relevant provisions of Italian law implementing the CRD V Directive or, as appropriate, the BRRD) or the CRR Regulation 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 CRR and in the CRD V Directive for continuing authorisation,

subject in any event to any different conditions or requirements as may be applicable 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 Notes or Senior Non-Preferred Notes may be subject to substitution and modification without Noteholder consent

If (i) at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Senior Non-Preferred Notes, 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 Notes or Senior Non-Preferred Notes of that Series), elect (i) in the case of English Law Notes, either to substitute all (but not only some) of such Senior Notes or Senior Non-Preferred Notes or modify the terms of all (but not only some) such Senior Notes or Senior Non-Preferred Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Senior Non-Preferred Notes, or (ii) in the case of Italian Law Notes, modify the terms of all (but not only some) of such Senior Notes or Senior Non-Preferred Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Senior Non-Preferred Notes, *provided that* such variation or substitution does not of itself give rise to any right of the Issuer to redeem the varied or substituted securities.

Qualifying Senior Notes or Senior Non-Preferred Notes, as applicable, 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 terms of the Senior Notes or Senior Non-Preferred Notes, as applicable. 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 substituted or 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 substitution or variation.

Risk Related to Subordinated Notes

Ranking of Subordinated Notes

If the Issuer is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt (including the holders of the Senior Notes and the Senior Non-Preferred Notes) and meet its obligations to all its other creditors (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. 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*).

Italian Legislative Decree No. 193 of 8 November 2021 implementing Directive 879/2019/EU ("**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 11(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.

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 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, 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 11(b) (*Redemption for tax reasons*) of the Terms and Conditions of the English Law Notes and Condition 11(b) (*Redemption for tax reasons*) of the Terms and Conditions of the Italian Law 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 10(g) (*Redemption of Subordinated Notes*) of the Terms and Conditions of the English Law Notes and Condition 10(g) (*Redemption of Subordinated Notes*) of the Terms and Conditions of the Italian Law 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 substitution and modification without Noteholder consent

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), elect (i) in the case of English Law Notes, either to substitute all (but not only some) of the Subordinated Notes or modify the terms of all (but not only some) of such Subordinated Notes so that they become or remain Qualifying Subordinated Notes or (ii) in the case of Italian Law Notes, modify the terms of all (but not only some) of such Subordinated Notes so that they become or remain Qualifying Subordinated Notes, *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities.

Qualifying Subordinated 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 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 substituted or 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 substitution or variation.

Risk relating to the governing law of the Italian Law Notes

The Terms and Conditions of the Italian Law Notes are governed by Italian law and Condition 23 of the Terms and Conditions of the Italian Law Notes provides that contractual and non-contractual obligations arising out 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. The Global Notes representing the Italian Law Notes provide that all contractual and non-contractual obligations arising out of or in connection with the Global Notes representing the Italian Law Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law. Furthermore, the Temporary Global Notes or the Permanent Global Notes, whether issued in CGN or NGN form, as the case may be, representing the Italian Law Notes are signed by the Issuer in the United Kingdom and are, thereafter, delivered to The Bank of New York Mellon, London Branch as Fiscal Agent, being the entity in charge of, *inter alia*, completing, authenticating and delivering the Temporary Global Note and Permanent Global Notes and (if required) authenticating and delivering Definitive Notes. Article 59 of Law No. 218 of 31 May 1995 (the "**Italian Private International Law**") provides that other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued.

The Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions of the Italian Law Notes and the laws applicable to their transfer and circulation for any prospective investors in the Italian Law Notes and any disputes which may arise in relation to, *inter alia*, the transfer of ownership in the Italian Law Notes on the basis of the above-mentioned provisions of Italian Private International Law and the relevant applicable European legislation.

Notes issued, if any, as "Green Bonds", "Social Bonds", "Sustainability Bonds" or "Climate Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets

If so specified in the relevant Final Terms (or the Drawdown Prospectus as the case may be), the Issuer may issue Notes under the Programme described as "green bonds" ("**Green Bonds**"), "climate bonds" ("**Climate Bonds**"), "social bonds" ("**Social Bonds**"), "sustainability bonds" ("**Sustainability Bonds**") in accordance with the principles set out by the International Capital Market Association ("**ICMA**") (respectively, the Green Bond Principles ("**GBP**"), the Social Bond Principles ("**SBP**") and the Sustainability Bond Guidelines ("**SBG**")), or in accordance with the Climate Bonds Standard set out by the Climate Bonds Initiative.

In such a case, prospective investors should have regard to the information set out at "Reasons for the Offer, estimated net proceeds and total expenses" in the applicable Final Term (or the Drawdown Prospectus as the case may be) and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label.

A basis for the determination of the definitions of "green" and "sustainable" has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**") and the final social taxonomy report on transition activities for the EU Sustainable Finance Taxonomy, which was published by the Platform on Sustainable Finance on 28 February 2022. On 21 April 2021, the European Commission adopted the EU Taxonomy Climate Delegated Act, introducing a first set of technical screening criteria to be used to define which activities contribute to the following environmental objectives under the EU Sustainable Finance Taxonomy: climate change adaptation and climate change mitigation (the "**Taxonomy Climate Delegated Act**"). The Taxonomy Climate Delegated Act entered into force on 1 January 2022. On 10 March 2022, the EU Commission adopted the EU taxonomy Complementary Climate Delegated Act, covering certain nuclear and gas activities, which is expected to enter into force in the coming months. 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 is expected to apply from 1 January 2023. Any further delegated act adopted by the EU Commission to implement the Sustainable Finance Taxonomy Regulation or the Sustainable Finance Disclosure Regulation may result in a regular review of the relating screening criteria, with changes to the scope of activities and other amendments to reflect technological progress.

In addition, 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**"). In the context of the public consultation on the renewed sustainable finance strategy, the European Commission launched a targeted consultation on the establishment of an EU Green Bond Standard, that builds and consults on the work of the Commission Technical Expert Group, and has run between

12 June and 2 October 2020. On 19 October 2020, the European Commission published the Commission Work Programme 2021, in which expressed the intention to deliver a legislative proposal by the end of the second quarter of 2021. 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 Sustainable Finance Taxonomy; (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.

No assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds of the Notes are to be applied will meet the investor expectations regarding such "green" or "social" or "sustainable" performance objectives (including those set out under the Sustainable Finance Taxonomy Regulation) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project.

Furthermore, it should be noted that in connection with the issue of Green Bonds, Climate Bonds, Social Bonds and Sustainability Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or low carbon and/or social and/or sustainable project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental, sustainability or social projects (any such second-party opinion, 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, Climate Bonds, Social Bonds or Sustainability Bonds. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green Bonds or Climate Bonds or Social Bonds or Sustainability Bonds and would only be current as of the date it is released. A withdrawal of the Second-party Opinion may affect the value of such Green Bonds, Climate Bonds, Social Bonds or Sustainability Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets.

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of Social Bonds, Green Bonds, Climate Bonds or Sustainability Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, low carbon, social or sustainable projects, as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Bonds, Climate Bonds, Social Bonds or Sustainability Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, low carbon, social or sustainable 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 will not (i) give rise to any claim of a Noteholder against the Issuer; (ii) constitute an Event of Default under 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; (iv) affect the qualification of such Notes as *strumenti di debito chirografario di secondo livello*, Tier 2 Capital or as eligible liabilities instruments (as applicable); (v) have any impact on the status of the Notes as indicated in Condition 4, 5 or 6 (as the case may be) or (vi) prevent the applicability of the Bail-in Power.

For the avoidance of doubt, neither the proceeds of any Green Bonds, Climate Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds 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, Climate Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant project nor have any preferred right against such assets.

Regardless of their “green”, “social” or “sustainable” or such other equivalent label, Green Bonds, Climate Bonds, Social Bonds or Sustainability 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 Group (including 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”, “social” or “sustainable” 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, Climate Bonds, Social Bonds or Sustainability Bonds qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer. The fact that such Notes are designated as Green Bonds, Climate Bonds, Social Bonds or Sustainability 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.

Green Bonds, Climate Bonds, Social Bonds or Sustainability 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, Climate Bonds, Social Bonds or Sustainability Bonds qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their “green”, “social” or “sustainable” or such other equivalent label.

3. Risks related to the market generally

Set out below is a brief description of the principal market risks with respect to an investment in the Notes.

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, the Notes might not be listed on a stock exchange or admitted to trading on any securities market or other trading facility and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market price of the Notes may be adversely affected.

The liquidity and market value of the Notes may also be significantly affected by factors such as variations in the Issuer's results of operations, news announcements or changes in general market conditions. In addition, broad market fluctuations and general economic and political conditions may adversely affect the market value of the Notes, regardless of the actual performance of the Issuer.

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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. Where an issue of Notes is rated, investors should be aware that:

- such rating will reflect only the views of the rating agency and 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 rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency; and
- notwithstanding the above, an adverse change in a credit rating could adversely affect the trading price for the Notes.

Furthermore, in general, EEA 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 or (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. In general, UK 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 UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

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*".

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) 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.

INFORMATION INCORPORATED BY REFERENCE

The information set out in the cross-reference tables below, which is contained in the following documents which have previously been published, shall be incorporated by reference in, and form part of, this Base Prospectus.

1. the audited annual financial statements of the Issuer as at and for the year ended 31 December 2021 (in German) contained in the Issuer's 2021 Annual Report (*Der Geschäftsbericht 2021*) and the independent auditors' report thereon:

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The audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2021 and the independent auditors' report thereon can be accessed at the following link:

https://www.raiffeisen.it/raiffeisenkasse/Landesbank/2_Ueber_uns/4_Veroeffentlichungen_und_Berichte/6_Geschaeftsberichte/Geschaeftsberichte_deutsch/Geschaeftsbericht_2021.pdf

2. the audited annual financial statements of the Issuer as at and for the year ended 31 December 2020 (in German) contained in the Issuer's 2020 Annual Report (*Der Geschäftsbericht 2020*), and the independent auditors' report thereon:

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Statement of changes in shareholders' equity	110-113
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Independent auditors' report	98-104

The audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2020 and the independent auditors' report thereon can be accessed at the following link:

https://www.raiffeisen.it/raiffeisenkasse/Landesbank/2_Ueber_uns/4_Veroeffentlichungen_und_Berichte/6_Geschaeftsberichte/Geschaeftsberichte_deutsch/Geschaeftsbericht_2020.pdf

3. the section entitled "Terms and Conditions" on pages 51-135 of the base prospectus relating to the Programme dated 12 August 2021 (the "**2021 Base Prospectus**").

The 2021 Base Prospectus can be accessed at the following link:

https://www.raiffeisen.it/raiffeisenkasse/Landesbank/2_Ueber_uns/5_Produnkte_und_Services/EMTN/EMTN_2021_Base-Prospectus.pdf.pdf

Any other information contained in any of the documents specified above that is not included in the cross-reference list above is not incorporated by reference and is either not relevant to investors rather than information required by the relevant Annexes of the Delegated Regulation, or is covered elsewhere in this Base Prospectus. Unless specifically incorporated by reference into this Base Prospectus, information contained on any website to which this Base Prospectus refers does not form part of this Base Prospectus.

Any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus 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 subsequently incorporated by reference by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such statement.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus can be obtained from the website of the Issuer as specified above, from the registered office of the Issuer and from the specified office of the Fiscal Agent for the time being Luxembourg and will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

FORMS OF THE NOTES

Introduction

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in a new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream; Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Eurosystem eligibility

Notes in NGN form are intended to be in a form that allows such Notes to be in compliance with requirements for their recognition as eligible collateral for monetary policy and intra-day credit operations of the central banking system for the euro (the "**Eurosystem**"), subject to certain other criteria being fulfilled (including denomination in euro and listing on an EU regulated market or on a non-regulated market accepted by the European Central Bank).

TEFRA

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note without interest coupons, interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", then if:
 - a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
 - b) any of the circumstances described in Condition 14 (*Events of Default*) of the Terms and Conditions of the English Law Notes and Condition 14 (*Events of Default*) of the Terms and Conditions of the Italian Law Notes, as the case may be, occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Save as set out below, where interests in the Permanent Global Note are exchangeable for Definitive Notes, such Notes may only be issued in denominations which are integral multiples of their minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of: (A) in case of Senior Notes, (1) a minimum denomination of €100,000, plus (2) integral multiples of €1,000, *provided that* such denominations are not less than €100,000 nor more than €199,000; (B) in case of Senior Non-Preferred Notes, (1) a minimum denomination of €150,000, plus (2) integral multiples of €1,000, *provided that* such denominations are not less than €150,000 nor more than €299,000; (C) in case of Subordinated Notes, (1) a minimum denomination of €200,000, plus (2) integral multiples of €1,000, *provided that* such denominations are not less than €200,000 nor more than €399,000, or such other minimum denomination provided by applicable law from time to time. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without interest coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without interest coupons, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of their minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note, without interest coupons, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", then if:
 - a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - b) any of the circumstances described in Condition 14 (*Events of Default*) of the Terms and Conditions of the English Law Notes and Condition 14 (*Events of Default*) of the Terms and Conditions of the Italian Law Notes, as the case may be, occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Save as set out below, where interests in the Permanent Global Note are exchangeable for Definitive Notes, such Notes may only be issued in denominations which are integral multiples of their minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of: (A) in case of Senior Notes, (1) a minimum denomination of €100,000, plus (2) integral multiples of €1,000, *provided that* such denominations are not less than €100,000 nor more than €199,000; (B) in case of Senior Non-Preferred Notes, (1) a minimum denomination of €150,000, plus

(2) integral multiples of €1,000, provided that such denominations are not less than €150,000 nor more than €299,000; (C) in case of Subordinated Notes, (1) a minimum denomination of €200,000, plus (2) integral multiples of €1,000, provided that such denominations are not less than €200,000 nor more than €399,000, or such other minimum denomination provided by applicable law from time to time. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the English Law Notes*", "*Terms and Conditions of the Italian Law Notes*" below, as the case may be, and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Notes where TEFRA D Rules or TEFRA C Rules are specified in the relevant Final Terms, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE ENGLISH LAW NOTES

The following is the text of the terms and conditions which, together with the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

1. Introduction

- (a) **Programme:** Cassa Centrale Raiffeisen dell'Alto Adige S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of €750,000,000 in aggregate principal amount of notes. Under the Programme, the Issuer may issue notes governed by English law (the "**English Law Notes**" or 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 (each a "**Tranche**") of Notes. 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 governed by English law (the "**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) **Agency Agreement:** The Notes are the subject of an amended and restated issue and paying agency agreement governed by English law dated 7 July 2022 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and any other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) **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 Fiscal Agent, the initial Specified Office of which is set out below.
- (e) **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:
 - "**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);
 - "**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of

issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

"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;

"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 the CRD V, the BRRD, the Capital Adequacy Regulations, the Prudential Regulations for Banks and any other 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, as the case may be) and standards and guidelines issued by the European Banking Authority;

"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 replaced from time to time (including by Directive (EU) 2019/879);

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET 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 London, 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 Fiscal 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;

"Capital Adequacy Regulations" means the Delegated Regulation and any other rules or regulations of the Regulatory Authority or of the institutions of the European Union or which are otherwise applicable to the Issuer or the Group (as the case may be), whether introduced before or after the Issue Date, which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the Own Funds of the Issuer or the Group (as the case may be) to the extent required under the CRD V;

"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 Calculation Agent;

"**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;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**CRD V**" means the CRD V Directive, the CRR and the CRD V Implementing Measures;

"**CRD V Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended, supplemented or replaced from time to time, including any successor regulations (including by Directive EU/2019/878);

"**CRD V Implementing Measures**" means any regulatory capital rules implementing the CRD V Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Bank of Italy, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or, if applicable, the Issuer together with its consolidated Subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or, if applicable, consolidated basis);

"**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 and supplemented from time to time, including any successor regulations (including by Regulation EU/2019/876);

"**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 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;

"**Deed of Covenant**" means the deed of covenant dated 7 July 2022 relating to the Notes executed by the Issuer, as amended or supplemented from time to time;

"**Delegated Regulation**" means Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014 supplementing the CRR with regard to the regulatory technical standards for Own Funds requirements for institutions, as amended, supplemented or replaced from time to time;

"**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 11(b) (*Redemption for tax reasons*) or, if applicable, 11(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;

"ECB" means the European Central Bank;

"EU Banking Reform" means the amendments to the CRD V Directive, the CRR and BRRD, which have been published on the European Official Gazette on 7 June 2019 and entered into force on 27 June 2019;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

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

"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 9 (*Floating Rate Note Provisions*);

"Group" means the Issuer and its Subsidiaries;

"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 Cut-off Date" has the meaning given in Condition 9(j);

"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;

"ISDA" means the International Swaps and Derivatives Association, Inc; (or any successor);

"ISDA Definitions" has the meaning given in the relevant Final Terms;

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

"Loss Absorption Requirement" means the power of the Regulatory Authority to impose that Own Funds instruments or other liabilities of the Issuer or entities of the Group (as the case may be) are subject to full or partial write-down of the principal or conversion into CET1 Instruments or other instruments of ownership in accordance with Article 59 of the BRRD and the related national implementing provisions applicable to the Issuer or entities of the Group (as the case may be);

"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 Reference Rate for the Mid-Swap Maturity (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 the fallback provisions contained in paragraphs (iii) to (v) of Condition 8(e) (*Resetting of interest*), either:

(i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(ii) 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:

(A) with a term equal to the relevant Reset Period; and

(B) 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 on such Reset Determination Date, all as determined by the Calculation Agent;

"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 Notes, all or part of the aggregate outstanding nominal amount of such Series of Notes are or will be excluded fully or partially from eligible liabilities available to meet the MREL Requirements. For the avoidance of doubt: (a) the exclusion of a Series of Senior Notes or Senior Non-Preferred Notes from the MREL Requirements due to the remaining maturity of such Notes being less than any period prescribed thereunder, does not constitute a MREL Disqualification Event; (b) the exclusion of all or some of a Series of Senior Notes from the MREL Requirements due to there being insufficient headroom for such Senior Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL Disqualification Event; and (c) the exclusion of all or some of a Series of Senior Preferred Notes or Senior Non-Preferred Notes from the MREL Requirements as a result of such Notes being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute a MREL Disqualification Event;

"MREL Requirements" means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to the Issuer and/or the Group, 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 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 or policies are applied generally or specifically to the Issuer and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be 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;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET 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) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, 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;

"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 or supplemented 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;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such 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) any Reset Rate of Interest;

"Redemption Amount" means, as appropriate:

- (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 8(e) (*Resetting of interest*), 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 9(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 11(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 the relevant Subordinated Notes cease to qualify either in whole or in part as Tier II Capital of the Issuer; 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 Fiscal 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 Jurisdiction**" means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes or the Coupons;

"**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 EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions; 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 Agency Agreement 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 date or dates specified as such in the relevant Final Terms;

"Reset Determination Date" means, in respect of each Reset Period, the second Business Day prior to the Reset Date;

"Reset Period" means each period from (and including) a Reset Date to (but excluding) the next following Reset Date to (but excluding) or, if no such Reset Date is specified in the relevant Final Terms, the Maturity Date;

"Reset Rate of Interest" means, in respect of any Reset Period, 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 Margin;

"Securitisation and Covered Bond Law" means Italian Law No. 130 of 30 April 1999, as amended, supplemented and re-enacted from time to time, including (where applicable) any rules, regulations or other secondary legislation enacted pursuant to such law;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, any other agreement or arrangement having the effect of conferring security;

"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 from time to time, and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority;

"Senior 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, subject to a minimum denomination of €100,000 (or its equivalent as at the Issue Date in other currencies);

"**Specified Office**" has the meaning given in the Agency Agreement;

"**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/2019/877);

"**SSM Regulation**" means Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions, as amended, supplemented or replaced from time to time;

"**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;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person which is controlled by the first Person in accordance with Article 2359, first paragraph, Nos. 1), 2) and 3) and second paragraph of the Italian Civil Code;

"**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) (*Resetting 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;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated real-time Gross Settlement Express Transfer payment system utilising a single shared platform and launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 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) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
 - (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
 - (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
 - (iv) 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 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
 - (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
 - (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
 - (vii) 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; and
 - (viii) any reference to the Deed of Covenant or the Agency Agreement shall be construed as a reference to the Deed of Covenant or, as the case may be, the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. Status of Senior Notes

- (a) **Application:** This Condition 4 (*Status of Senior Notes*) is applicable only to Senior Notes.
- (b) **Status of the Senior Notes:** The Senior Notes and the Coupons 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 Notes and the Coupons 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 Notes from time to time (including Senior Non-Preferred Notes and any further obligations permitted by law to rank junior to the Senior Notes following the Issue Date) if any.

- (c) **Waiver:** Each holder of a Senior Note is deemed unconditionally and irrevocably to have waived any right 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 Note.
- (d) **No Negative Pledge:** There is no negative pledge in respect of the Senior 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 intending 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 and any related Coupons constitute direct, unconditional, unsubordinated, unsecured and non-preferred obligations of the Issuer, ranking (i) junior to Senior 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 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.
- (c) **Waiver:** Each holder of a Senior Non-Preferred Note is deemed unconditionally and irrevocably to have waived any right 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 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 winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *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, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated unsecured creditors (including depositors and any holder of Senior Notes, Senior Non-Preferred Notes and their respective Coupons) 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 and Senior Non-Preferred Notes).
- (d) **Waiver:** Each holder of a Subordinated Note is deemed unconditionally and irrevocably to have waived any right of set-off, 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 shall take effect on each Switch Date without any requirement to give notice or other formality (but without prejudice, if applicable, to Condition 9(h) (*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), 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 8(e) (*Resetting of interest*) and subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, 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 (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 Fiscal 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.
- (e) **Resetting of interest:** If the Final Terms specify the fixed note resetting provisions are applicable, the following provisions shall apply:
- (i) the Rate of Interest shall be adjusted to the relevant Reset Rate of Interest from (and including) each Reset Date to (but excluding) the next following Reset Date or, if no such Reset Date is specified in the relevant Final Terms, the Maturity Date;
 - (ii) the Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent at or as soon as practicable after each time at which the Rate of Interest is to be determined and, in the case of the Interest Amount, in accordance with Condition 8(d) (*Calculation of interest amount*);
 - (iii) 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 Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent 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;
 - (iv) If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the Reset Rate of Interest 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 relevant Margin, all as determined by the Calculation Agent (and, for the avoidance of doubt, if such sum results in a negative amount, such amount shall be deemed to be zero);
 - (v) if on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the Reset Rate of Interest 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, as at the Interest Commencement Date;
 - (vi) 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 Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation 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, and notice thereof shall also promptly be given to the Noteholders;
 - (vii) 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;

- (viii) 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; and
- (ix) all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders 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.

9. Floating Rate Note Provisions

- (a) **Application:** This Condition 9 (*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 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (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 Fiscal 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;
 - (C) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (1) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

- (2) determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and 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 Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent 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. If at least three of the CMS Reference Banks provide the Calculation Agent 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) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that

interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:
 - (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (C) the relevant Reset Date (as defined in the ISDA Definitions), unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions,
- (ii) references in the ISDA Definitions to:
 - (A) "Confirmation" shall be references to the relevant Final Terms;
 - (B) "Calculation Period" shall be references to the relevant Interest Period;
 - (C) "Termination Date" shall be references to the Maturity Date;
 - (D) "Effective Date" shall be references to the Interest Commencement Date; and
- (iii) if the Final Terms specify "2021 ISDA Definitions" as being applicable:
 - (A) "Benchmark Event" shall be disappplied; and
 - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate",

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

- (e) **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.
- (f) **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.
- (g) **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.

- (h) **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 Agents 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.
- (i) **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, the Paying Agents, the Noteholders and the Couponholders 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.
- (j) **Benchmark replacement:**

Notwithstanding the provisions above in this Condition 9, 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.

- (i) **Independent Adviser:** The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 9(j) (ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 9(j) (iii)) and any Benchmark Amendments (in accordance with Condition 9(j) (iv)).

An Independent Adviser appointed pursuant to this Condition 9(j) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer.

- (ii) **Successor Rate or Alternative Rate:** If the Independent Adviser determines that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 9(j) (iii)) 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 9(j)); 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 9(j) (iii)) 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 9(j)).

- (iii) *Adjustment Spread:* If the Independent Adviser 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).
- (iv) *Benchmark Amendments:* If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 9(j) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Agency Agreement (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 9(j) (v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement 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 9(j) (iv), 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.

- (v) *Notices, etc.:* The Issuer shall notify the Paying Agents 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, the Noteholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 9(j). 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, the Paying Agents, the Calculation Agent, any other party specified in the relevant Final Terms as being responsible for calculating the Rate of Interest, the Noteholders.

- (vi) *Survival of Original Reference Rate:* Without prejudice to the obligations of the Issuer under the provisions of this Condition 9(j), the Original Reference Rate and the fallback provisions provided for in Condition 9(j) will continue to apply unless and until a Benchmark Event has occurred and only then once the Paying Agents 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 9(j) (v).
- (vii) *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 is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or Alternative Rate (as applicable) pursuant to this Condition 9(j) 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 or Senior Non-Preferred 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 (iv) 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 last determined in relation 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 9(j) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date 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 9(j).

- (viii) *Definitions:* In this Condition 9(j):

"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 Independent Adviser 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 Independent Adviser, 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 no such recommendation has been made) the Independent Adviser 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 Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser 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 and Couponholders 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 Independent Adviser determines in accordance with Condition 9(j) (ii) 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 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 9(j) (iv);

"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 later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified 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) and (ii) the date falling six months prior to the specified date referred to in (B)(i) above;
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i) above;
- (E) the later of (i) the making of a public statement by the supervisor of 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 date and (ii) the date falling six months prior to the specified date referred to in (E)(i) above; or

- (F) it has 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 or Couponholder using the Original Reference Rate including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 9(j) at its own expense;

"Original Reference Rate" means the originally-specified Reference 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 a successor to or replacement of the Original Reference Rate which is determined by the Issuer in accordance with this Condition 9 or that is formally recommended by any Relevant Nominating Body.

10. Zero Coupon Note Provisions

- (a) **Application:** This Condition 10 (*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
 - (i) 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 Fiscal 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).

11. 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 12 (*Payments*), and, in the case of Subordinated Notes, subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or 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 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes and Senior Non-Preferred Notes, to Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred Notes*)) in whole, but not in part, on the Early Redemption Date on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice 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 13 (*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, 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.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (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 expiry of any such notice as is referred to in this Condition 11(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11(b) (subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*) and to Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred Notes*)).

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

- (i) **Application:** This Condition 11(c) is applicable only to Subordinated Notes and only if this Condition 11(c) is specified as being applicable in the relevant Final Terms.
- (ii) **Redemption:** Upon occurrence of a Regulatory Event, subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or 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 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Fiscal Agent and, in accordance with Condition 20 (*Notices*), the Noteholders.

Prior to the publication of any notice of redemption pursuant to this Condition 11(c), the Issuer shall deliver or procure that there is delivered to the Fiscal Agent 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 and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 11(c), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11(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 11(c) shall be subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or 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 11(g) (*Regulatory conditions for call, redemption, repayment or repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes and Senior Non-Preferred Notes, to Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred 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 30 nor more than 60 days' notice to the Noteholders (which notice 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 11(d) shall be subject to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*).

In the case of Subordinated Notes, no call option in accordance with this Condition 11(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 11(d) shall be subject to Condition 10(g) (*Redemption of Subordinated Notes*).

- (e) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 11(d) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law 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, and the notice to Noteholders referred to in Condition 11(d) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. 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 11(e) shall be subject to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*).

In the case of Subordinated Notes, no partial redemption in accordance with this Condition 11(e) may be exercised by the Issuer to redeem, in part, 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 11(e) shall be subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*).

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

(i) *Application:* This Condition 11(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 11(f), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit during normal business hours at the Specified Office of any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 11(f), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 11(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(g) **Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes:** In the case of Subordinated Notes, any call, redemption, repayment or repurchase of such Notes in accordance with Condition 9(h) (*Publications*), Condition 11(b) (*Redemption for tax reasons*), Condition 11(d) (*Redemption at the option of the Issuer*), Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*), or Condition 11(k) (*Purchase*) or Condition 18 (*Meetings of Noteholders; Modification*) (including, for the avoidance of doubt, any modification in accordance with Condition 18) 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 or the Capital Instruments Regulation:
 - i. in the case of redemption pursuant to Condition 11(b) (*Redemption for tax reasons*), the Issuer having 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 at the Issue Date; or
 - ii. in case of redemption pursuant to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*), a Regulatory Event has occurred; or
 - iii. 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
 - iv. 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 nominal 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 nominal amount of the Tier 2 Instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (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.

(h) ***Issuer Call Due to a MREL Disqualification Event***

- (i) *Application*: this Condition 11(h) applies only to Notes specified in the applicable Final Terms as Senior Notes or Senior Non-Preferred 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 or Non-Preferred Notes may (subject to the provisions of Condition 11(m) (*Conditions to Redemption and Purchase of*

Senior Notes and Senior Non-Preferred 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 neither a Floating Rate Note or a CMS Linked Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note or a CMS Linked Interest 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 Fiscal Agent and, in accordance with Condition 20 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer determines that an MREL Disqualification Event has occurred and is continuing.

- (iii) Upon the expiry 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 appropriate) 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 11(i) or, if none is so specified, a Day Count Fraction of 30E/360.

In the case of Senior Notes, the call option pursuant to this Condition 11(i) shall be subject to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*).

In the case of Subordinated Notes, no call option in accordance with this Condition 11(i) 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 11(i) shall be subject to Condition 10(g) (*Redemption of Subordinated Notes*).

- (j) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 11(a) (*Scheduled redemption*) to 11(i) (*Early redemption of Zero Coupon Notes*) above.
- (k) **Purchase:** The Issuer or any of its Subsidiaries may (but, in the case of Subordinated Notes, subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes and Senior Non-Preferred Notes, to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*)) at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (l) **Cancellation:** All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.
- (m) **Regulatory conditions for call, redemption, repayment, repurchase or modification of Senior Preferred Notes and Senior Non-Preferred Notes:** Any call, redemption, repayment or

repurchase in accordance with Condition 9(h) (*Publications*), Condition 11(b) (*Redemption for tax reasons*), Condition 11(d) (*Redemption at the option of the Issuer*), Condition 11(h) (*Issuer Call due to MREL Disqualification Event*), Condition 11(k) (*Purchase*) or Condition 18 (*Meetings of Noteholders; Modification*) (including, for the avoidance of doubt, any modification in accordance with Condition 18) of Senior Preferred Notes or Senior Non-Preferred Notes is subject, to the extent such Senior Preferred Notes or Senior Non-Preferred 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 11(h) (*Issuer Call due to 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 then 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 different 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 Preferred Notes or Senior Non-Preferred Notes, in the limit of a predetermined amount, instruments, 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.

12. Payments

- (a) **Principal:** Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) **Interest:** Payments of interest shall, subject to Condition 12(h) (*Payments other than in respect of matured coupons*) below, be made only against presentation and (*provided that* payment is

made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 12(a) (*Principal*) above.

- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **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 13 (*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 or Couponholders for any payments in respect of the Notes.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 12(a) (*Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If and to the extent that the relevant Final Terms specify that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 11(b) (*Redemption for tax reasons*), Condition 11(c) (*Redemption for regulatory reasons*), Condition 11(d) (*Redemption at the option of the Issuer*), 11(h) (*Issuer Call Due to a MREL Disqualification Event*), Condition 11(f) (*Redemption at the option of Noteholders*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 12(c) (*Payments in New York City*) above).
- (i) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

13. Taxation

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons 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 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 as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of the amounts of principal, in the case of Senior Notes not qualifying at such time as liabilities that are eligible to meet the MREL Requirements only, and interest, in the case of any Notes, 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 or Coupon presented for payment:
 - (i) in the Republic of Italy; or
 - (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy other than the mere holding of such Note or Coupon; or

- (iii) 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 (at the then applicable rate of tax), by an Italian resident, to the extent that interest is paid to an Italian individual or an Italian legal entity not carrying on a business (including, but not limited to (A) partnerships, *de facto* partnerships not carrying on a business and professional associations, (B) public and private resident entities and trusts, other than companies, not carrying on a business, and (C) certain other Persons exempt from corporate income tax) or to such other Italian resident entities 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**"); or
 - (v) in all circumstances in which the requirements and procedures set forth in Decree No. 239 in order to benefit from a tax exemption have not been met or complied with, except where the Noteholder or any person acting under its instructions has not been able to comply with such requirements as a result of any actions or omissions on the part of the Issuer or its agents; or
 - (vi) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
 - (vii) 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 or Coupon on the last day of such period of 30 days; or
 - (viii) by or on behalf of a Noteholder who is entitled to avoid such deduction or withholding by making a declaration of residence or non-residence or other substantially similar claim but fails to do so; or
 - (ix) in respect of Notes that are classified as atypical securities where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended, supplemented and/or re-enacted 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 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 is imposed under those rules as a result of the failure by any person other than the Issuer or any of its agents to establish that they are able to receive payments free of such withholding.

14. Events of Default

- (a) **Application:** This Condition 14 (*Events of Default*) is applicable to Senior Notes, Senior Non-Preferred Notes and Subordinated Notes.
- (b) **Enforcement:** Without prejudice to Condition 14(c) (*Events of Default*), any holder of Notes may institute proceedings to enforce any obligation, condition or provision binding on the Issuer under such Notes *provided that* the Issuer shall not by virtue of any such proceedings, other than

proceedings for the dissolution, liquidation or winding-up of the Issuer or any proceedings which under the laws of Italy have an analogous effect to any of the foregoing, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

- (c) *Events of Default*: If any of the following events occurs:
- (i) *Winding-up etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
 - (ii) *Analogous event*: any event occurs which under the laws of Italy has an analogous effect to any of the events referred to in paragraph (i) (*Winding-up etc.*) above,

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 Fiscal 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.

- (d) *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) other than as specifically provided under this Condition 14 (*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.

15. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

16. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then 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 Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

17. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (a) the Issuer shall at all times maintain a Fiscal Agent; and

- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) the Issuer shall at all times maintain a Paying Agent outside of (i) the Republic of Italy and (ii) any other taxing jurisdiction to which the Issuer becomes subject; and
- (d) 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 the rules of which require 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 the rules of such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. Meetings of Noteholders; Modification

- (a) **Meetings of Noteholders:** The Agency Agreement contains 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 two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two 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 two 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 and Couponholders, 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.

- (b) **Modification:** The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

In addition, (i) In the case of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL Disqualification 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 Fiscal Agent and the holders of the Notes of that Series, at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Senior Notes, Qualifying Senior Non-Preferred Notes or

Qualifying Subordinated Notes, as applicable, *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities.

For the purposes of this Condition 18(b), "**Qualifying Senior Non-Preferred 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 Senior Non-Preferred Notes (as reasonably determined by the Issuer) than the terms of the Senior Non-Preferred Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) include a ranking at least equal to that of the Senior Non-Preferred Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes; (D) have the same redemption rights as the Senior Non-Preferred Notes; and (E) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Non-Preferred Notes immediately prior to such variation or substitution; (F) 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 recognized standing in the jurisdiction where the Issuer is incorporated, delivered to the Fiscal Agent which shall make it available to the Noteholders at its Specified Office; and
- (ii) are listed on a recognised stock exchange if the Senior Non-Preferred Notes were listed immediately prior to such variation or substitution.

For the purposes of this Condition 18(b), "**Qualifying Senior 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 Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) include a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; and (E) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation or substitution; (F) 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 recognized standing in the jurisdiction where the Issuer is incorporated, delivered to the Fiscal Agent which shall make it available to the Noteholders at its Specified Office; and
- (ii) are listed on a recognised stock exchange if the Senior Notes were listed immediately prior to such variation or substitution.

For the purposes of this Condition 18(b), "**Qualifying Subordinated 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 Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Notes, and they shall also (A) comply with the then current requirements of the Applicable Banking Regulations in relation to Tier II Capital; (B) include a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; and (E) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution; (F) 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 recognized standing in the jurisdiction where the Issuer is incorporated, delivered to the Fiscal Agent which shall make it available to the Noteholders at its Specified Office; and
- (ii) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

Any variation of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments in accordance with Condition 9(j) 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 or the Couponholders, 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

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper having general circulation in Europe (which is expected to be the *Financial Times*) and, if the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of that exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

21. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons 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 Fiscal 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, English law, except for Conditions 4 (*Status of Senior Notes*), 5 (*Status of Senior Non-Preferred Notes*), 6 (*Status of Subordinated Notes*), 14 (*Events of Default*) and 24 (*Contractual Recognition of Bail-in Powers*) and any non-contractual obligations arising out of or in connection with such Conditions, which shall be governed by and construed in accordance with Italian law.
- (b) **English courts:** The courts of England 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 agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) **Rights of the Noteholders to take proceedings outside England:** Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. To the extent allowed by law, any Noteholder may take (i) proceedings relating to a Dispute ("Proceedings") in any other courts in any Permitted Jurisdiction and (ii) concurrent Proceedings in any number of Permitted Jurisdictions.
- (e) **Process agent:** The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to The London Law Agency Limited, Collingham House, 6-12 Gladstone Road, Wimbledon, London SW19 1QT or, if different, its registered office for the time being or at any address of the Issuer in the United Kingdom at which process may be served on it in accordance with the procedures set out in the Companies Act 2006. If such Person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall appoint a further Person in England to accept service of process on its behalf. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

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 and/or Group Entities 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 and/or Group Entities incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer or other Group Entities, 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 and/or any Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person.

"Group Entity" means the Issuer or any legal person that is part of the Group.

"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 or any other entities of the Group, including but not limited to any laws, regulations, rules or requirements implementing the BRRD and/or the SRM Regulation.

TERMS AND CONDITIONS OF THE ITALIAN LAW NOTES

The following is the text of the terms and conditions which, together with the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

1. Introduction

- (a) **Programme:** Cassa Centrale Raiffeisen dell'Alto Adige S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of €750,000,000 in aggregate principal amount of notes. Under the Programme, the Issuer may issue notes governed by Italian law (the "**Italian Law Notes**" or 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 (each a "**Tranche**") of Notes. 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 governed by Italian law (the "**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) **Agency Agreement:** The Notes are the subject of an issue and paying agency agreement governed by Italian law dated 7 July 2022 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and any other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) **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 Fiscal Agent, the initial Specified Office of which is set out below.
- (e) **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:
 - "**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);
 - "**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of

issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

"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;

"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 the CRD V, the BRRD, the Capital Adequacy Regulations, the Prudential Regulations for Banks and any other 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, as the case may be);

"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 replaced from time to time (including by Directive (EU) 2019/879);

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET 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 London, 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 Fiscal 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;

"Capital Adequacy Regulations" means the Delegated Regulation and any other rules or regulations of the Regulatory Authority or of the institutions of the European Union or which are otherwise applicable to the Issuer or the Group (as the case may be), whether introduced before or after the Issue Date, which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the Own Funds of the Issuer or the Group (as the case may be) to the extent required under the CRD V;

"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 Calculation Agent;

"**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;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**CRD V**" means the CRD V Directive, the CRR and the CRD V Implementing Measures;

"**CRD V Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended, supplemented or replaced from time to time, including any successor regulations (including by Directive EU/2019/878);

"**CRD V Implementing Measures**" means any regulatory capital rules implementing the CRD V Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Bank of Italy, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or, if applicable, the Issuer together with its consolidated Subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or, if applicable, consolidated basis);

"**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 and supplemented from time to time, including any successor regulations (including by Regulation EU/2019/876);

"**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 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;

"**Deed of Covenant**" means the deed of covenant dated 7 July 2022 relating to the Notes executed by the Issuer, as amended or supplemented from time to time;

"**Delegated Regulation**" means Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014 supplementing the CRR with regard to the regulatory technical standards for Own Funds requirements for institutions, as amended, supplemented or replaced from time to time;

"**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 11(b) (*Redemption for tax reasons*) or, if applicable, 11(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;

"ECB" means the European Central Bank;

"EU Banking Reform" means the amendments to the CRD V Directive, the CRR and BRRD, which have been published on the European Official Gazette on 7 June 2019 and entered into force on 27 June 2019;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

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

"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 9 (*Floating Rate Note Provisions*);

"Group" means the Issuer and its Subsidiaries;

"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 Cut-off Date" has the meaning given in Condition 9(j);

"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;

"ISDA" means the International Swaps and Derivatives Association, Inc; (or any successor);

"ISDA Definitions" has the meaning given in the relevant Final Terms;

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

"Loss Absorption Requirement" means the power of the Regulatory Authority to impose that Own Funds instruments or other liabilities of the Issuer or entities of the Group (as the case may be) are subject to full or partial write-down of the principal or conversion into CET1 Instruments or other instruments of ownership in accordance with Article 59 of the BRRD and the related national implementing provisions applicable to the Issuer or entities of the Group (as the case may be);

"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 Reference Rate for the Mid-Swap Maturity (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 the fallback provisions contained in paragraphs (iii) to (v) of Condition 8(e) (*Resetting of interest*), either:

(i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(ii) 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:

(A) with a term equal to the relevant Reset Period; and

(B) 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 on such Reset Determination Date, all as determined by the Calculation Agent;

"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 Notes, all or part of the aggregate outstanding nominal amount of such Series of Notes are or will be excluded fully or partially from eligible liabilities available to meet the MREL Requirements. For the avoidance of doubt: (a) the exclusion of a Series of Senior Notes or Senior Non-Preferred Notes from the MREL Requirements due to the remaining maturity of such Notes being less than any period prescribed thereunder, does not constitute a MREL Disqualification Event; (b) the exclusion of all or some of a Series of Senior Notes from the MREL Requirements due to there being insufficient headroom for such Senior Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL Disqualification Event; and (c) the exclusion of all or some of a Series of Senior Preferred Notes or Senior Non-Preferred Notes from the MREL Requirements as a result of such Notes being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute a MREL Disqualification Event;

"MREL Requirements" means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to the Issuer and/or the Group, 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 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 or policies are applied generally or specifically to the Issuer and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be 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;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET 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) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, 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;

"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 or supplemented 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;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such 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) any Reset Rate of Interest;

"Redemption Amount" means, as appropriate:

- (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 8(e) (*Resetting of interest*), 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 9(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 11(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 the relevant Subordinated Notes cease to qualify either in whole or in part as Tier II Capital of the Issuer; 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 Fiscal 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 Jurisdiction**" means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes or the Coupons;

"**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 EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions; 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 Agency Agreement 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 date or dates specified as such in the relevant Final Terms;

"Reset Determination Date" means, in respect of each Reset Period, the second Business Day prior to the Reset Date;

"Reset Period" means each period from (and including) a Reset Date to (but excluding) the next following Reset Date to (but excluding) or, if no such Reset Date is specified in the relevant Final Terms, the Maturity Date;

"Reset Rate of Interest" means, in respect of any Reset Period, 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 Margin;

"Securitisation and Covered Bond Law" means Italian Law No. 130 of 30 April 1999, as amended, supplemented and re-enacted from time to time, including (where applicable) any rules, regulations or other secondary legislation enacted pursuant to such law;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, any other agreement or arrangement having the effect of conferring security;

"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 from time to time, and any relevant implementing regulation which may be enacted for such purposes by any Regulatory Authority;

"Senior 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, subject to a minimum denomination of €100,000 (or its equivalent as at the Issue Date in other currencies);

"Specified Office" has the meaning given in the Agency Agreement;

"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/2019/877);

"SSM Regulation" means Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions, as amended, supplemented or replaced from time to time;

"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;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person which is controlled by the first Person in accordance with Article 2359, first paragraph, Nos. 1), 2) and 3) and second paragraph of the Italian Civil Code;

"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) (*Resetting 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;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated real-time Gross Settlement Express Transfer payment system utilising a single shared platform and launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 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) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) 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 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
- (vii) 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; and
- (viii) any reference to the Deed of Covenant or the Agency Agreement shall be construed as a reference to the Deed of Covenant or, as the case may be, the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. Status of Senior Notes

- (a) **Application:** This Condition 4 (*Status of Senior Notes*) is applicable only to Senior Notes.
- (b) **Status of the Senior Notes:** The Senior Notes and the Coupons 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 Notes and the Coupons 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 Notes from time to time (including Senior Non-Preferred Notes and any further obligations permitted by law to rank junior to the Senior Notes following the Issue Date) if any.
- (c) **Waiver:** Each holder of a Senior Note is deemed unconditionally and irrevocably to have waived any right 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 Note.

- (d) **No Negative Pledge:** There is no negative pledge in respect of the Senior 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 intending 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 and any related Coupons constitute direct, unconditional, unsubordinated, unsecured and non-preferred obligations of the Issuer, ranking (i) junior to Senior 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 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.
- (c) **Waiver:** Each holder of a Senior Non-Preferred Note is deemed unconditionally and irrevocably to have waived any right 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 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 winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *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, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated unsecured creditors (including depositors and any holder of Senior Notes, Senior Non-Preferred Notes and their respective Coupons) 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 and Senior Non-Preferred Notes).
- (d) **Waiver:** Each holder of a Subordinated Note is deemed unconditionally and irrevocably to have waived any right of set-off, 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 shall take effect on each Switch Date

without any requirement to give notice or other formality (but without prejudice, if applicable, to Condition 9(h) (*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 Noted 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), 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 8(e) (*Resetting of interest*) and subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, 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 (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 Fiscal 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.

- (e) **Resetting of interest:** If the Final Terms specify the fixed note resetting provisions are applicable, the following provisions shall apply:
- (i) the Rate of Interest shall be adjusted to the relevant Reset Rate of Interest from (and including) each Reset Date to (but excluding) the next following Reset Date or, if no such Reset Date is specified in the relevant Final Terms, the Maturity Date;
 - (ii) the Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent at or as soon as practicable after each time at which the Rate of Interest is to be determined and, in the case of the Interest Amount, in accordance with Condition 8(d) (*Calculation of interest amount*);
 - (iii) 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 Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent 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;
 - (iv) If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the Reset Rate of Interest 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 relevant Margin, all as determined by the Calculation Agent (and, for the avoidance of doubt, if such sum results in a negative amount, such amount shall be deemed to be zero);
 - (v) if on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the Reset Rate of Interest 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, as at the Interest Commencement Date;
 - (vi) 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 Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation 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, and notice thereof shall also promptly be given to the Noteholders;
 - (vii) 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;
 - (viii) 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; and

- (ix) all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders 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.

9. Floating Rate Note Provisions

- (a) **Application:** This Condition 9 (*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 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (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 Fiscal 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;
 - (C) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (1) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
 - (D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the

Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and 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 Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent 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. If at least three of the CMS Reference Banks provide the Calculation Agent 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) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (iii) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (C) the relevant Reset Date (as defined in the ISDA Definitions), unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions,
- (iv) references in the ISDA Definitions to:
- (A) "Confirmation" shall be references to the relevant Final Terms;
 - (B) "Calculation Period" shall be references to the relevant Interest Period;
 - (C) "Termination Date" shall be references to the Maturity Date;
 - (D) "Effective Date" shall be references to the Interest Commencement Date; and
- (v) if the Final Terms specify "2021 ISDA Definitions" as being applicable:
- (A) "Benchmark Event" shall be disaplied; and
 - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate",

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

- (e) **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.
- (f) **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.
- (g) **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.

- (h) **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 Agents 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.
- (i) **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, the Paying Agents, the Noteholders and the Couponholders 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.

(j) **Benchmark replacement:**

Notwithstanding the provisions above in this Condition 9, 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.

- (i) **Independent Adviser:** The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 9(j) (ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 9(j) (iii)) and any Benchmark Amendments (in accordance with Condition 9(j) (iv)).

An Independent Adviser appointed pursuant to this Condition 9(j) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer.

- (ii) **Successor Rate or Alternative Rate:** If the Independent Adviser determines that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 9(j) (iii)) 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 9(j)); 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 9(j) (iii)) 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 9(j)).

- (iii) *Adjustment Spread:* If the Independent Adviser 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).
- (iv) *Benchmark Amendments:* If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 9(j) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Agency Agreement (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 9(j) (v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement 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 9(j) (iv), 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.

- (v) *Notices, etc.:* The Issuer shall notify the Paying Agents 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, the Noteholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 9(j). 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, the Paying Agents, the Calculation Agent, any other party specified in the relevant Final Terms as being responsible for calculating the Rate of Interest, the Noteholders.

- (vi) *Survival of Original Reference Rate:* Without prejudice to the obligations of the Issuer under the provisions of this Condition 9(j), the Original Reference Rate and the fallback provisions provided for in Condition 9(j) will continue to apply unless and until a

Benchmark Event has occurred and only then once the Paying Agents 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 9(j) (v).

- (vii) *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 is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or Alternative Rate (as applicable) pursuant to this Condition 9(j) 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 or Senior Non-Preferred 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 (iv) 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 last determined in relation 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 9(j) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date 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 9(j).

- (viii) *Definitions:* In this Condition 9(j):

"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 Independent Adviser 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 Independent Adviser, 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 no such recommendation has been made) the Independent Adviser 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 Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser 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 and Couponholders 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 Independent Adviser determines in accordance with Condition 9(j) (ii) 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 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 9(j) (iv);

"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 later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified 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) and (ii) the date falling six months prior to the specified date referred to in (B)(i) above;
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i) above;
- (E) the later of (i) the making of a public statement by the supervisor of 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 date and (ii) the date falling six months prior to the specified date referred to in (E)(i) above; or
- (F) it has 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 or Couponholder using the Original Reference Rate including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 9(j) at its own expense;

"Original Reference Rate" means the originally-specified Reference 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 a successor to or replacement of the Original Reference Rate which is determined by the Issuer in accordance with this Condition 9 or that is formally recommended by any Relevant Nominating Body.

10. Zero Coupon Note Provisions

- (a) **Application:** This Condition 10 (*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 Fiscal 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).

11. 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 12 (*Payments*), and, in the case of Subordinated Notes, subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or 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 11(g) (*Regulatory conditions for call, redemption,*

repayment or, repurchase or modification of Subordinated Notes) and, in the case of Senior Notes and Senior Non-Preferred Notes, to Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred Notes*)) in whole, but not in part, on the Early Redemption Date on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice 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 13 (*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, 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.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (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 expiry of any such notice as is referred to in this Condition 11(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11(b) (subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*)) and to Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred Notes*)).

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

- (i) *Application:* This Condition 11(c) is applicable only to Subordinated Notes and only if this Condition 11(c) is specified as being applicable in the relevant Final Terms.
- (ii) *Redemption:* Upon occurrence of a Regulatory Event, subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, 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 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Fiscal Agent and, in accordance with Condition 20 (*Notices*), the Noteholders.

Prior to the publication of any notice of redemption pursuant to this Condition 11(c), the Issuer shall deliver or procure that there is delivered to the Fiscal Agent 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 and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 11(c), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11(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 11(c) shall be subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, 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 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes and Senior Non-Preferred Notes, to Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred 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 30 nor more than 60 days' notice to the Noteholders (which notice 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 11(d) shall be subject to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*).

In the case of Subordinated Notes, no call option in accordance with this Condition 11(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 11(d) shall be subject to Condition 10(g) (*Redemption of Subordinated Notes*).

- (e) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 11(d) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law 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, and the notice to Noteholders referred to in Condition 11(d) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. 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 11(e) shall be subject to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*).

In the case of Subordinated Notes, no partial redemption in accordance with this Condition 11(e) may be exercised by the Issuer to redeem, in part, 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 11(e) shall be subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*).

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

(i) *Application:* This Condition 11(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 11(f), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit during normal business hours at the Specified Office of any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 11(f), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 11(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(g) **Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes:** In the case of Subordinated Notes, any call, redemption, repayment or repurchase of such Notes in accordance with Condition 9(h) (*Publications*), Condition 11(b) (*Redemption for tax reasons*), Condition 11(d) (*Redemption at the option of the Issuer*), Condition 11(g) (*Regulatory conditions for call, redemption, repayment or, repurchase or modification of Subordinated Notes*), or Condition 11(k) (*Purchase*) or Condition 18 (*Meetings of Noteholders; Modification*) (including, for the avoidance of doubt, any modification in accordance with Condition 18) is subject to conditions 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 or the Capital Instruments Regulation:
- i. in the case of redemption pursuant to Condition 11(b) (*Redemption for tax reasons*), the Issuer having 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 at the Issue Date; or
 - ii. in case of redemption pursuant to Condition 10(g) (*Redemption of Subordinated Notes*), a Regulatory Event has occurred; or
 - iii. 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
 - iv. 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 nominal 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 nominal amount of the Tier 2 Instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (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

(h) ***Issuer Call Due to a MREL Disqualification Event***

- (i) *Application*: this Condition 11(h) applies only to Notes specified in the applicable Final Terms as Senior Notes or Senior Non-Preferred 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 or Non-Preferred Notes may (subject to the provisions of Condition 11(m) (*Conditions to Redemption and Purchase of Senior Notes and Senior Non-Preferred 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 neither a Floating Rate Note or a CMS Linked Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note or a CMS Linked Interest 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 Fiscal Agent

and, in accordance with Condition 20 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer determines that an MREL Disqualification Event has occurred and is continuing.

- (iii) Upon the expiry 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 appropriate) 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 11(i) or, if none is so specified, a Day Count Fraction of 30E/360.

In the case of Senior Notes, the call option pursuant to this Condition 11(i) shall be subject to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*).

In the case of Subordinated Notes, no call option in accordance with this Condition 11(i) 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 11(i) shall be subject to Condition 10(g) (*Redemption of Subordinated Notes*).

- (j) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 11(a) (*Scheduled redemption*) to 11(i) (*Early redemption of Zero Coupon Notes*) above.
- (k) **Purchase:** The Issuer or any of its Subsidiaries may (but, in the case of Subordinated Notes, subject to Condition 11(g) (*Regulatory conditions for call, redemption, repayment or repurchase or modification of Subordinated Notes*) and, in the case of Senior Notes and Senior Non-Preferred Notes, to Condition 11(m) (*Redemption of Senior Notes and Senior Non-Preferred Notes*)) at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (l) **Cancellation:** All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.
- (m) **Regulatory conditions for call, redemption, repayment, repurchase or modification of Senior Preferred Notes and Senior Non-Preferred Notes:** Any call, redemption, repayment or repurchase in accordance with Condition 9(h) (*Publications*), Condition 11(b) (*Redemption for tax reasons*), Condition 11(d) (*Redemption at the option of the Issuer*), Condition 11(h) (*Issuer Call due to MREL Disqualification Event*), Condition 11(k) (*Purchase*) or Condition 18 (*Meetings of Noteholders; Modification*) (including, for the avoidance of doubt, any modification in accordance with Condition 18) of Senior Preferred Notes or Senior Non-Preferred Notes is subject, to the extent such Senior Preferred Notes or Senior Non-Preferred 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 11(h) (*Issuer Call due to 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 then 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 different 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 Preferred Notes or Senior Non-Preferred Notes, in the limit of a predetermined amount, instruments, 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.

12. Payments

- (a) **Principal:** Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) **Interest:** Payments of interest shall, subject to Condition 12(h) (*Payments other than in respect of matured coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 12(a) (*Principal*) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is

due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

- (d) **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 13 (*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 or Couponholders for any payments in respect of the Notes.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 12(a) (*Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If and to the extent that the relevant Final Terms specify that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 11(b) (*Redemption for tax reasons*), Condition 11(c) (*Redemption for regulatory reasons*), Condition 11(d) (*Redemption at the option of the Issuer*), 11(h) (*Issuer Call Due to a MREL Disqualification Event*), Condition 11(f) (*Redemption at the option of Noteholders*) or Condition 14 (*Events of Default*), all unmatured

Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (g) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 12(c) (*Payments in New York City*) above).
- (i) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

13. Taxation

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons 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 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 as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of the amounts of principal, in the case of Senior Notes not qualifying at such time as liabilities that are eligible to meet the MREL Requirements only, and interest, in the case of any Notes, 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 or Coupon presented for payment:
 - (i) in the Republic of Italy; or
 - (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy other than the mere holding of such Note or Coupon; or
 - (iii) 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 (at the then applicable rate of tax), by an Italian resident,

to the extent that interest is paid to an Italian individual or an Italian legal entity not carrying on a business (including, but not limited to (A) partnerships, *de facto* partnerships not carrying on a business and professional associations, (B) public and private resident entities and trusts, other than companies, not carrying on a business, and (C) certain other Persons exempt from corporate income tax) or to such other Italian resident entities 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**"); or

- (v) in all circumstances in which the requirements and procedures set forth in Decree No. 239 in order to benefit from a tax exemption have not been met or complied with, except where the Noteholder or any person acting under its instructions has not been able to comply with such requirements as a result of any actions or omissions on the part of the Issuer or its agents; or
 - (vi) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
 - (vii) 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 or Coupon on the last day of such period of 30 days; or
 - (viii) by or on behalf of a Noteholder who is entitled to avoid such deduction or withholding by making a declaration of residence or non-residence or other substantially similar claim but fails to do so; or
 - (ix) in respect of Notes that are classified as atypical securities where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended, supplemented and/or re-enacted 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 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 is imposed under those rules as a result of the failure by any person other than the Issuer or any of its agents to establish that they are able to receive payments free of such withholding.

14. Events of Default

- (a) **Application:** This Condition 14 (*Events of Default*) is applicable to Senior Notes, Senior Non-Preferred Notes and Subordinated Notes.
- (b) **Enforcement:** Without prejudice to Condition 14(c) (*Events of Default*), any holder of Notes may institute proceedings to enforce any obligation, condition or provision binding on the Issuer under such Notes *provided that* the Issuer shall not by virtue of any such proceedings, other than proceedings for the dissolution, liquidation or winding-up of the Issuer or any proceedings which

under the laws of Italy have an analogous effect to any of the foregoing, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) *Events of Default*: If any of the following events occurs:

- (i) *Winding-up etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (ii) *Analogous event*: any event occurs which under the laws of Italy has an analogous effect to any of the events referred to in paragraph (i) (*Winding-up etc.*) above,

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 Fiscal 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.

(d) *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) other than as specifically provided under this Condition 14 (*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.

15. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

16. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then 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 Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

17. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (a) the Issuer shall at all times maintain a Fiscal Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

- (c) the Issuer shall at all times maintain a Paying Agent outside of (i) the Republic of Italy and (ii) any other taxing jurisdiction to which the Issuer becomes subject; and
- (d) 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 the rules of which require 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 the rules of such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. Meetings of Noteholders; Modification

- (a) **Meetings of Noteholders:** The Agency Agreement contains 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 two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two 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 two 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 and Couponholders, 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.

- (b) **Modification:** The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

In addition, (i) In the case of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL Disqualification 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 Fiscal Agent and the holders of the Notes of that Series, at any time vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Senior Notes, Qualifying Senior Non-Preferred Notes or Qualifying Subordinated 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(b), "**Qualifying Senior Non-Preferred 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 Senior Non-Preferred Notes (as reasonably determined by the Issuer) than the terms of the Senior Non-Preferred Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) include a ranking at least equal to that of the Senior Non-Preferred Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes; (D) have the same redemption rights as the Senior Non-Preferred Notes; and (E) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Non-Preferred Notes immediately prior to such variation; (F) 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 recognized standing in the jurisdiction where the Issuer is incorporated, delivered to the Fiscal Agent which shall make it available to the Noteholders at its Specified Office; and
- (ii) are listed on a recognised stock exchange if the Senior Non-Preferred Notes were listed immediately prior to such variation.

For the purposes of this Condition 18(b), "**Qualifying Senior 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 Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) include a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; and (E) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation; (F) 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 recognized standing in the jurisdiction where the Issuer is incorporated, delivered to the Fiscal Agent which shall make it available to the Noteholders at its Specified Office; and
- (ii) are listed on a recognised stock exchange if the Senior Notes were listed immediately prior to such variation.

For the purposes of this Condition 18(b), "**Qualifying Subordinated 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 Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Notes, and they shall also (A) comply with the then current requirements of the Applicable Banking Regulations in relation to Tier II Capital; (B) include a ranking

at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; and (E) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation; (F) 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 recognized standing in the jurisdiction where the Issuer is incorporated, delivered to the Fiscal Agent which shall make it available to the Noteholders at its Specified Office; and

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

Any variation of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments in accordance with Condition 9(j) 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 or the Couponholders, 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

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper having general circulation in Europe (which is expected to be the *Financial Times*) and, if the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of that exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

21. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons 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 Fiscal 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 agrees that the courts of Milan are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) **Rights of the Noteholders to take proceedings outside Italy:** Condition 23(b) (*Italian courts*) is for the benefit of the Noteholders only. To the extent allowed by law, any Noteholder may take (i) proceedings relating to a Dispute ("**Proceedings**") in any other courts in any Permitted Jurisdiction and (ii) concurrent Proceedings in any number of Permitted Jurisdictions.

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 and/or Group Entities 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 and/or Group Entities incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer or other Group Entities, 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 and/or any Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person.

"Group Entity" means the Issuer or any legal person that is part of the Group.

"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 or any other entities of the Group, including but not limited to any laws, regulations, rules or requirements implementing the BRRD and/or the SRM Regulation.

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 both the Terms and Conditions of the English Law Notes and the Terms and Conditions of the Italian Law Notes and any reference to a "Condition" shall be to both a Condition under the Terms and Conditions of the English Law Notes and a Condition under the Terms and Conditions of the Italian Law 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 (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 "**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.]

[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 it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, 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 it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 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.]

EU MiFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of [the/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 [Directive 2014/65/EU (as amended, "EU MiFID II")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients 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 manufacturer[']s target market assessment) and determining appropriate distribution channels.

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); 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 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels]

Final Terms dated []

Legal Entity Identifier (LEI) 529900N2ZB1B52JB2F83

CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE S.p.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the

€750,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the English Law Notes] [Terms and Conditions of the Italian Law Notes] (the "**Conditions**") set forth in the base prospectus dated 7 July 2022 (the "**Base Prospectus**") [and the supplement[s] to the Base Prospectus dated [date] [and [date]], which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under the previous base prospectus and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") in the Base Prospectus dated 12 August 2021. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 7 July 2022 [and the supplement to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated 12 August 2021 and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the Prospectus Regulation.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [and the supplement dated []]. The Base Prospectus [and the supplement] [is/are] available for viewing at the registered office[s] of the Issuer at Via Laurin 1 39100 Bolzano, Italy, during usual business hours and free of charge. The Base Prospectus [and the supplement] and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.)

(When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)

1. (i) Series Number: []
- (ii) Tranche Number: []
2. If the Notes are fungible with an existing Series:
 - (i) Details of existing Series: [The Notes are to be consolidated and form a single Series with *[identify earlier Tranches]* issued by the Issuer on *[issue dates of earlier Tranches]* (the "**Existing Notes**") / Not Applicable]
 - (ii) Date on which the Notes will be consolidated and form a single Series: [Issue Date / Upon exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 (*Form of Notes*) below, which is expected to occur not earlier than *[date]* (the "**Exchange Date**") / Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - (i) Series: []
 - (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [] [and integral multiples of [] in excess thereof up to and including []. No Notes in definitive form will be issued with a denomination above []].
 (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). In the case of Senior Non-Preferred Notes, Notes must have a minimum denomination of €150,000 (or equivalent) and in the case of Subordinated Notes, Notes must have a minimum denomination of €200,000 (or equivalent), or such other minimum denomination provided by applicable law from time to time.*)

- (ii) Calculation Amount: []
 (as referred to in Conditions 8(d) *(Calculation of Interest Amount)* and 9(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. (i) Issue Date: []
 (ii) Interest Commencement Date (if different from the Issue Date): [Specify/Issue Date/Not Applicable]
8. Maturity Date: [The Interest Payment Date] [] *(For Floating Rate Notes, specify the relevant month and year. Otherwise, specify a date.)*
(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: [[] 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 [14/15/16/17/18] 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]
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 nominal amount.

12. Put/Call Options:
(as referred to in Conditions 11(c) (*Redemption for regulatory reasons*) to (h) (*Issuer Call Due to a MREL Disqualification Event*))
- [Investor Put
(further particulars specified in paragraph 20 below)] /
[Issuer Call
(further particulars specified in paragraph 18 below)] /
[Issuer Call due to MREL Disqualification Event
(further particulars specified in paragraph 21 below)]
[Not Applicable]
13. Status of the Notes: [Senior/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) (*Fixed to Floating Rate Note Provisions*))
- [Applicable. See also paragraphs 15 (*Fixed Rate Note Provisions*) and 16 (*Floating Rate Note Provisions*) / Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Switch Option: [Applicable/Not Applicable]
- (ii) 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]
- (iii) Switch Date(s): [Subject to exercise of the Switch Option,] []
- (Delete the reference to the Switch Option if subparagraph (i) above is not applicable)*
15. **Floating to Fixed Rate Note Provisions**
(as referred to in Condition 7(c) (*Floating to Fixed Rate Note Provisions*))
- [Applicable. See also paragraphs 15 (*Fixed Rate Note Provisions*) and 16 (*Floating Rate Note Provisions*) / Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Switch Option: [Applicable/Not Applicable]
- (ii) 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]
- (iii) Switch Date(s): [Subject to exercise of the Switch Option,] []

(Delete the reference to the Switch Option if sub-paragraph (i) above is not applicable)

16. Fixed Rate Note Provisions
(as referred to in Condition 8
(Fixed Rate Note Provisions))

[Applicable / [Applicable in respect of the Fixed 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)

- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear, subject to resetting on [the / each] Reset Date]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with the Business Day Convention] (*N.B. This will need to be amended in the case of any long or short coupons.*)
- (iii) 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]
- (iv) Additional Business Centre(s): [Not Applicable / Applicable (*indicate relevant city/cities*)]
- (v) Fixed Coupon Amount(s): [] per Calculation Amount
- (vi) Broken Amount(s): [[] per Calculation Amount, payable on [the Interest Payment Date falling in] [] / Not Applicable]
- (vii) 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)]
- (viii) Fixed note resetting provisions: [Applicable / Not Applicable]
- (If not applicable, delete the remaining text of this sub-paragraph (vii))*
- Reset Date(s): []
 - Mid-Swap Rate: [Single Mid-Swap Rate / Mean Mid-Swap Rate]
 - Mid-Swap Maturity: []
 - Relevant Screen Page: []

- Margin(s): [+/ -] [] per cent. per annum
 - Reference Rate: [Specify reference rate. For example, EURIBOR]
- 17. 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]
- (as referred to in Condition 9 (Floating Rate Note Provisions))
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) 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")
- (ii) 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.)
- (iii) 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]
 - (iv) Additional Business Centre(s): [Not Applicable / Applicable (indicate relevant city/cities)]
 - (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
 - (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent / Not Applicable] (Specify "Not Applicable" if the Fiscal Agent is to perform this function)
 - (vii) Screen Rate Determination: [Applicable / Not Applicable] (If not applicable, delete the remaining text of this sub-paragraph (vii).)
- Reference Rate: [Specify reference rate. For example, EURIBOR or CMS Rate]
 - Relevant Screen Page: [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 TARGET2 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 Regulatory Event in case of a Benchmark Event:] [Applicable/Not Applicable]
- (viii) ISDA Determination: [Applicable / Not Applicable]
 (If not applicable, delete the remaining text of this sub-paragraph (viii).)
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
 - Floating Rate Option: [] (The Floating Rate Option should be selected from one of EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) and EUR-EURIBOR (if 2021 ISDA Definitions apply) (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions.)
 - Designated Maturity: []
 - Reset Date: []/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day

	Convention set out in (ii) above and as specified in the ISDA Definitions]
– ISDA Benchmarks Supplement:	[Applicable / Not Applicable]
(ix) Margin(s):	[+/-][] per cent. per annum
(x) Minimum Rate of Interest:	[Not Applicable]/[] per cent. per annum
(xi) Maximum Rate of Interest:	[Not Applicable]/[] per cent. per annum
(xii) 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)]
18. Zero Coupon Note Provisions (as referred to in Condition 10 (<i>Zero Coupon Note Provisions</i>))	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) [Amortisation/Accrual] Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) 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

19. Call Option (as referred to in Condition 11(d) (<i>Redemption at the option of the Issuer</i>))	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) 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>
(ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s):	[] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[] per Calculation Amount
(b) Maximum Redemption Amount:	[] per Calculation Amount

20. **Regulatory Call**
(as referred to in Condition 11(c)
(Redemption for regulatory reasons)) [Condition 11(c) is applicable/Not Applicable]
(If the Notes are not Subordinated Notes, insert "Not Applicable".)
21. **Put Option**
(as referred to in Condition 11(f)
(Redemption at the option of Noteholders)) [Applicable/Not Applicable]
(If the Notes are Subordinated Notes, insert "Not Applicable". If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) Optional Redemption Date(s) (Put): []
- (ii) Optional Redemption Amount(s) (Put) [] per Calculation Amount
and method, if any, of calculation of
such amount(s):
22. **Issuer Call due to MREL Disqualification Event:** [Applicable]/[Not Applicable]
(Only relevant in the case of Senior Non-Preferred Notes)
- (a) Notice period for Condition 11(h)
(Issuer Call Due to a MREL
Disqualification Event): [Minimum period: [•] days
Maximum period: [•] days]
(Please consider that not less than the minimum period nor more than maximum period of notice has to be sent to the Fiscal Agent and, in accordance with Condition 20, the Noteholders)
(N.B. 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)
- (b) Early Redemption Amount payable on redemption upon the occurrence of a MREL Disqualification Event as contemplated by Condition 11(h)
(Issuer Call Due to a MREL Disqualification Event): [•] per Calculation Amount/[•]
23. **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 required or if different from that set out in the Conditions): [Not Applicable / [] per Calculation Amount]
(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 (Tax) and/or Early Redemption Amount

(as referred to in Conditions 11(b) (Redemption for tax reasons) and (c) (Redemption for regulatory reasons) and 14 (Events of Default))

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

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
(as referred to in "Forms of the Notes" on pages 41 to 44 of the Base Prospectus)

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 30 days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]]

[Temporary Global Note exchangeable for Definitive Notes.]

[Permanent Global Note exchangeable for Definitive Notes [on 30 days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]].

25. New Global Note:

[Yes/No]

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 12(g) (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(iv) and 16(iv) relate.)

27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):
(as referred to in Condition 3 (Form, Denomination and Title))

[No / Yes, if the [Temporary/Permanent] Global Notes is exchanged for Definitive Notes on or before [relevant Interest Payment Date].]

(Select "Yes" if the Notes have more than 27 coupon payments, in which case the "relevant date" will be the 27th Interest Payment Date prior to the final Interest Payment Date.)

28. Governing law of the Notes:

[English law]/[Italian law]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange / [] (*specify other place of listing*) / Not Applicable]
- (ii) Admission to trading: [Application [has been/is expected to be] made for the Notes to be admitted to trading on the [regulated market of the Luxembourg Stock Exchange / [] (*specify other securities market*)] with effect from [].] / [Not Applicable.]
- [The Existing Notes are already admitted to trading on the [regulated market of the Luxembourg Stock Exchange / [] (*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.*)
- (iii) 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.*)
- (iv) Trade Date: []

2. RATINGS

Ratings: The Notes to be issued [[have been]/[are expected]/[are not expected]] to be rated:

[Moody's: [•]]

[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 and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK 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>. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the CRA Regulation (UK)

[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>. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of*

particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[*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>. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK)**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of

domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK 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 [FCA]. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* 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**").] *[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**").] *[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EU) No 1060/2009, as amended (the "**UK 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.]

Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation (EU) AND/OR under the CRA Regulation (UK)

[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**")*][and][[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but is certified under the EU CRA Regulation AND/OR under the UK 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**")]*][and][Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union*

(Withdrawal) Act 2018 (the "UK CRA Regulation").

Option 7 - 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 or the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation") or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation

3. **AUTHORISATIONS**

[Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]
(N.B. 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 interest, including conflicting ones, that is material to the issue/offer, 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 offer. 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. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

[(i) Reasons for the offer [•]

[Hyperlinks to the second party opinion and the Sustainability Bond Framework to be included if the Bond is issued as a Green Bond, a Climate Bond, a Social Bond, or a Sustainability Bond]

See "Use of Proceeds" wording in Base Prospectus. If reasons for offer different from making profit general corporate purposes (for example for an issuance of a Green Bond, a Climate Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here.)]

[(ii)] 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.)

6. **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.]

7. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, names of Managers: [Not applicable/give names]

(iii) Name of Stabilisation Manager(s) (if any): [Not Applicable/give name]

(iv) If non-syndicated, name of Dealer: [Not applicable/give name]

(v) U.S. selling restrictions: Reg. S compliance category [1/2/3]; TEFRA [C/D/not applicable]

(vi) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

(vii) Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]

(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the

8 **BENCHMARKS**

UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)

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 Benchmark 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 authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]*

9. **OPERATIONAL INFORMATION**

(Select one of the two options below if the Notes are fungible with an existing Series.)

[The Notes have the following temporary ISIN and temporary common code assigned to them:

Temporary ISIN: []

Temporary Common Code: []

The Notes are to be consolidated and form a single series with the Existing Notes on the Exchange Date, following which the Notes will have the same ISIN and common code assigned to the Existing Notes, namely:]

[The Notes are to be consolidated and form a single series with the Existing Notes immediately upon issue and, accordingly, will have the same ISIN and common code assigned to the Existing Notes, namely:]

(Delete both of the above options if the Notes are not fungible with an existing Series.)

ISIN: []

Common Code: []

Delivery Delivery [against/free of] payment

Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon

satisfaction of the Eurosystem eligibility criteria.] (*If "Yes" is selected, the Notes must be issued in NGN form.*)

[No. Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

Any clearing system(s) other than 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 addresses of additional Paying Agent(s) (if any):

[Not Applicable/*give name(s) and address(es)*]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within seven days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 7 July 2022 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to

the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that, in respect of a CGN, the same is noted in a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 11(f) (*Redemption at the option of Noteholders*) of the Terms and Conditions of the English Law Notes and Condition 11(f) (*Redemption at the option of Noteholders*) of the Terms and Conditions of the Italian Law Notes the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 11(d) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg, at their discretion, as either a pool factor or a reduction in principal amount).

Noteholders' meetings: Notwithstanding Condition 18(a) (*Meetings of Noteholders*) of the Terms and Conditions of the English Law Notes and Condition 18(a) (*Meetings of Noteholders*) of the Terms and Conditions of the Italian Law Notes, so long as at least the relevant fraction of the aggregate principal amount of the outstanding Notes that constitutes a quorum is represented by a Global Note, a single proxy representing the holder thereof shall be deemed to be two Persons for the purpose of forming a quorum.

Payment Business Day: Notwithstanding the definition of "Payment Business Day" in Condition 2(a) (*Definitions*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary or safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, "**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) 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.

Notices: Notwithstanding Condition 20 (*Notices*) of the Terms and Conditions of the English Law Notes and Condition 20 (*Notices*) of the Terms and Conditions of the Italian Law Notes, while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) of the Terms and Conditions of the English Law Notes and Condition 20 (*Notices*) of the Terms and Conditions of the Italian Law Notes on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

DESCRIPTION OF THE ISSUER

Introduction and History

Cassa Centrale Raiffeisen dell'Alto Adige S.p.A., also known by its German corporate name Raiffeisen Landesbank Südtirol AG (the "**Issuer**"), was originally incorporated on 14 June 1973 by a group of 18 co-operative banks and co-operative companies, with a nominal share capital of 500,000,000 Italian lire (approximately €258,000). The Issuer's website is <https://www.raiffeisen.it/en>. The information on the website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

The Issuer is incorporated in and operates under the laws of Italy as a company limited by shares (*società per azioni*) and is registered with the Companies' Register (*Registro delle Imprese*) of the Chamber of Commerce of Bolzano, Italy, under registration number 00194450219. It is also registered with the register of banks (*albo delle banche*) held by Bank of Italy under registration number 3493.4. It is a member of the institutional protection scheme "Raiffeisen Südtirol IPS". Its registered office and headquarters is at Via Laurin 1, 39100 Bolzano, Italy and its telephone number is +39 0471 946511. As specified in its By-laws (*Statuto*), the Issuer has a duration until 31 December 2100, which may be extended by a resolution passed at an extraordinary shareholders' meeting.

The Issuer is the central bank for 39 (as at 31 December 2021) local co-operative banks (*Casse Raiffeisen* or "**Raiffeisen Banks**"), which are present with 166 branches in the territory known as South Tyrol (*Südtirol* in German or *Alto Adige* in Italian), which is one of the two autonomous provinces of the Trentino-Alto Adige/Südtirol region in north-eastern Italy ("**Alto Adige**"). According to its By-laws, the Issuer acts as a supporting structure within the Raiffeisen co-operative financial network (the "**Raiffeisen Network**"), a leading network in the banking market in Alto Adige. The Issuer's services are offered to supplement those already offered by Raiffeisen Banks and enable them to develop their own different banking operations. The objective of the Issuer is to promote and strengthen the Raiffeisen Banks and thereby increase their market share. In particular, the Issuer supports and coordinates the activities of the Raiffeisen Banks on the credit and financial markets by providing advisory and operational assistance in the affluent Alto Adige with its mixed German and Italian speaking population.

Reform of the Italian cooperative banks – the Raiffeisen Südtirol IPS

Following the enactment of Law No. 49 of 8 April 2016 providing for the reform of the Italian credit cooperative banks, the Issuer notified the Bank of Italy in September 2017 of its intention to establish a cooperative banking group with the Raiffeisen Banks of which it would have been the parent company.

Due to a change in the law on 17 December 2018 (Law No. 136), the Raiffeisen Banks (the Issuer's shareholders) obtained the possibility to choose between the creation of a cooperative banking group or an institutional protection scheme ("**IPS**") according to article 113, paragraph 7 of the CRR.

In December 2018 the Raiffeisen Banks opted for an IPS, which the Issuer also decided to join.

On 4 November 2020 the newly established cooperative entity "Raiffeisen Südtirol IPS" received the authorization from the Bank of Italy. The IPS is referred to in Article 113(7) of Regulation (EU) No. 575/2013 as a statutory liability arrangement which protects its member institutions and ensures that they have the liquidity and solvency needed to avoid bankruptcy where necessary. Its member institutions, the 39 Raiffeisen Banks, Cassa Centrale Raiffeisen dell'Alto Adige S.p.A. (the "Issuer") and RK Leasing Srl, will gradually transfer funds up to Euro 90-100 million within 2028. As at 31 December 2021 the market value of the transferred funds amounts to Euro 26.7 million.

Business Overview and Principal Markets

The Issuer's principal businesses range from supporting to coordinating the activities of the Raiffeisen Banks on the credit and financial markets. The Issuer provides accounting, risk management and clearing services to its shareholders and supports them with the structuring and managing of pool financings through a specific credit department of the Issuer. The Issuer also acts as a traditional commercial bank through a specific office which is used as point of contact for business and private customers.

The area of Alto Adige comprises the province of Bolzano, which is an autonomous entity within the autonomous region of Trentino-Alto Adige and enjoys a high degree of political and financial autonomy from the Italian central government. As a result, the local economy benefits from generous public funding and a high degree of self-government, especially in areas such as budgeting and public spending. Its geographical location at the crossroads of the affluent regions of Trentino-Alto Adige, Veneto and Friuli Venezia Giulia in north-eastern Italy, Tyrol in Austria and Bavaria in southern Germany has also contributed to the development of a healthy economy based on tourism, industry and agriculture. The economy of the province of Bolzano has generally performed better than the national average in Italy, with lower unemployment (3.8 per cent. in 2021 in comparison to the Italian average of 9.5 per cent.) and an inflation rate, in terms of annual average rate of change, of 2.5 per cent. in 2021 (compared to 1.9 per cent nationwide) (*Source: For national figures, ISTAT (Istituto Nazionale di Statistica or the Italian National Statistics Office) and, for provincial figures, ASTAT (Istituto Provinciale di Statistica or the Provincial Statistics Office of the Autonomous Province of Bolzano)*). This is also reflected by a high standard of living and high household savings rates.

As at 31 December 2020, the Alto Adige banking sector comprised 49 banks. This figure includes the Issuer, 41 Raiffeisen Banks which are shareholders of the Issuer, Banca Popolare dell'Alto Adige S.p.A. or, in German, Südtiroler Volksbank AG ("**BPAA**"), Cassa di Risparmio di Bolzano S.p.A. or, in German, Südtiroler Sparkasse AG ("**CR Bolzano**"), and five other banks. (*Source: Bank of Italy research published by its Trento and Bolzano branches in June 2021*).

The bilingual status of Alto Adige provides a natural barrier to banks outside this area, which explains the relatively limited presence of the largest Italian banks, as well as of neighbouring foreign banks. As a result, the main competitors to the Issuer are CR Bolzano and BPAA.

Ratings

On 24 September 2021, Moody's France SAS ("**Moody's**") affirmed the Baa2 issuer and senior unsecured debt ratings of the Issuer as well as its baa3 Baseline Credit Assessment (BCA) and Adjusted BCA.

The rating agency also changed the outlook on the long-term issuer and senior unsecured debt ratings to "Positive" from "Developing". The outlook on the long-term deposits ratings remains stable.

Moody's also affirmed all other ratings and assessments as shown in the list of affected ratings below:

List of affected ratings:

a) Affirmations:

- Long-term Counterparty Risk Ratings, affirmed Baa1
- Short-term Counterparty Risk Ratings, affirmed P-2
- Long-term Bank Deposits, affirmed Baa1, outlook remains Stable
- Short-term Bank Deposits, affirmed P-2
- Long-term Counterparty Risk Assessment, affirmed Baa2(cr)
- Short-term Counterparty Risk Assessment, affirmed P-2(cr)
- Long-term Issuer Ratings, affirmed Baa2, outlook changed to Positive from Developing

- Baseline Credit Assessment, affirmed baa3
- Adjusted Baseline Credit Assessment, affirmed baa3
- Senior Unsecured Regular Bond/Debenture, affirmed Baa2, outlook changed to Positive from Developing

b) Outlook Action:

- Outlook remains to Stable(m)

Share Capital and Shareholders

As at 31 December 2021, the Issuer's share capital amounted to €225,000,000, comprising 225,000,000 ordinary shares of €1.00 each.

The Issuer is not owned or controlled, either directly or indirectly, by any natural or legal persons, either singly or acting together, including any of the Raiffeisen Banks. As at the date of this Base Prospectus, the Issuer has 68 shareholders, of which 41 are Raiffeisen Banks holding 99.69 per cent. of the Issuer's ordinary shares.

The following table shows the principal shareholders of the Issuer as at the date of this Base Prospectus.

Shareholder	Shareholding	
	(No. of shares)	(%)
Raiffeisen Banks	224,303,251	99.6903
Others (co-operative companies)	696,749	0.3097
Own shares	-	-
Total	225,000,000	100.0

Capital increase

At the extraordinary shareholder meeting of 15 October 2018, the Issuer's Board of Directors has been delegated to carry out a share capital increase in one or more tranches for a maximum amount of EUR 50,000,000 (fifty million) within five years from the date of the resolution.

A first capital increase of EUR 25,000,000 (twenty-five million), from EUR 200,000,000 (two hundred million) to EUR 225,000,000.00 (two hundred twenty-five million), was carried out in 2019 by the issuance of 25,000,000 ordinary shares with a nominal value of EUR 1.00 (one) per share.

On 24 January 2022 the Board of Directors decided to carry out within the current year a second share capital increase of EUR 25,000,000 (twenty-five million), from EUR 225,000,000 (two hundred twenty-five million) to EUR 250,000,000.00 (two hundred fifty million), by issuing 25,000,000 ordinary shares with a nominal value of EUR 1.00 (one) per share.

The capital increase will be carried out, through cash payments by the Issuer's shareholders, in proportion to their existing shareholdings. In the event that one or more shareholders do not exercise their subscription rights, the unsubscribed share capital will be offered for subscription to the other shareholders in proportion to their existing shareholdings. The deadline for exercising the subscription right has been set on 30 June 2022. The deadline for subscribing the capital increase has been set on 1 August 2022.

Shareholdings in Other Companies

The Issuer has joint control of Casse Rurali-Raiffeisen Finanziaria S.p.A. (50 per cent. owned) and Raiffeisen Servizi Assicurativi Srl (30 per cent. owned). Casse Rurali-Raiffeisen Finanziaria S.p.A. in

turn holds 35.21 per cent. of Mediocredito Trentino-Alto Adige S.p.A., an Italian bank headquartered in Trento and mainly serving corporate clients.

Following the merger with Walser Raiffeisenholding eGen during FY 2021, the shareholding structure of the Issuer's subsidiary Alpenbank AG, which has been rebranded as Alpen Privatbank AG, has changed. As at 31 December 2021 the Issuer's holding at Alpen Privatbank AG amounts 12.5 per cent. and is recorded as minority interest under "financial assets at fair value through other comprehensive income" in the balance sheet.

Strategy

The multi-year strategic planning of the Issuer is focused on the areas described below.

The strategy of the Issuer as central bank of the local Raiffeisen Banks is focused on safeguarding the interests and pinpointing the needs of the Raiffeisen Banks, as well as on continuously improving the services and products on offer. It aims to achieve this through a continuous streamlining of all processes and procedures used from time to time within the Raiffeisen Network, through the coordination and preparation of all projects on a common basis and through an efficient implementation of the needs of the Raiffeisen Network. The Issuer intends to pursue its present role as the Raiffeisen Network's contact point for local government and the national and international co-operative system also in the future. As such the Issuer is the "trail blazer" of the Raiffeisen Network, developing new products and services that are useful to all Raiffeisen Banks and is strengthening its general role in the Raiffeisen Network, in its sectors of activity and also externally. As a commercial bank, the Issuer targets sizeable business clients, credit-pool or leasing clients and may also be involved, as lead arranger, in complex financial projects.

In order to safeguard the current market position of the Issuer and the Raiffeisen Network in an increasingly competitive environment, the Issuer's activities focus on specific business areas, such as project financing through public and private partnerships for the improvement of local infrastructures, financing of companies through entering into leasing transactions and retirement planning. The Issuer may also operate in new business areas, such as lending in favour of consumers and families, through strategic partnerships or joint ventures.

The Issuer also acts as a service provider to institutional counterparties and financial institutions. As such the Issuer intends to expand its services into surrounding areas. For this purpose, the Issuer is aiming to strengthen its co-operation with newly founded or smaller financial institutions, including those outside the province of Bolzano.

Furthermore, the Issuer is a member institution of the Raiffeisen IPS, which has been established in 2020 (see "*Reform of the Italian cooperative banks – the Raiffeisen IPS*" above).

In order to achieve this strategic goal the Issuer prepares a strategic plan on an annual basis.

Since 2019, the Issuer prepares on a voluntary basis a non-financial statement pursuant to art. 7 of Legislative Decree No. 254/2016. It consists of an annual report on the Issuer's medium and long term measures related to ESG (environmental, social and governance) as well as on its commitment to sustainability in general.

Lending

General

The Issuer has historically granted loans to companies located in the province of Bolzano and, consequently, the breakdown of the loan portfolio pertaining to the industrial sector substantially reflects the structure of the local economy. Bolzano is one of the most prosperous provinces of Italy, which is

partly due to its political and financial autonomy and its local economy is largely made up of small-sized companies, which means that the Issuer has a limited individual large loan exposure.

Total loans and advances to customers as at 31 December 2021 amounted to €2,691 million, compared to €2,552 million as at 31 December 2020, representing an increase of 5.43 per cent. Lending to banks as at 31 December 2021 amounted to €2,586 million compared to €2,102 million as at 31 December 2020 with an increase of 23.04 per cent.

The following table shows the breakdown of the Issuer's loans and advances to banks and to customers as at 31 December 2021 and 2020, respectively.

	As at 31 December			
	2021	(%)	2020	(%)
	(€ thousands)		(€ thousands)	
Loans and advances to banks	2,585,934	49.0	2,101,775	45.2
Loans and advances to customers	2,690,573	51.0	2,552,029	54.8
Total	5,276,507	100.0	4,653,804	100.0

Nearly all the Issuer's lending activity is carried out in Italy and, in particular, in Alto Adige.

Loans and advances to customers

The following table shows the breakdown of the Issuer's loans and advances to customers by client type as at 31 December 2021 and 2020, respectively.

Loans and advances to customers by type

	As at 31 December			
	2021		2020	
	(€ thousands)			
	<i>Performing</i>	<i>Impaired</i>	<i>Performing</i>	<i>Impaired</i>
Debt Securities:	923,036	-	879,304	-
a) Public entities	923,036	-	879,304	-
b) Other financial companies	-	-	-	-
<i>thereof insurance companies</i>	-	-	-	-
c) Non-financial companies	-	-	-	-
Loans to:	1,734,762	32,775	1,649,031	23,694
a) Governments	-	-	-	-
b) Other public entities	10,619	-	9,433	-
c) Other entities	1,724,144	-	1,639,598	-
- <i>non-financial companies</i>	1,462,944	28,128	1,421,445	18,344
- <i>financial companies</i>	66,696	504	74,264	3,780
- <i>insurance companies</i>	10,675	-	11,051	-
- <i>others</i>	183,829	4,143	132,838	1,571
Total	2,657,798	32,775	2,528,335	23,694

The following table shows the breakdown of the Issuer's loans and advances to customers according

to the class of products as at 31 December 2021 and 2020, respectively.

Loans and advances to customers by class of product

	As at 31 December			
	2021		2020	
	(€ thousands)			
	<u>Performing</u>	<u>Impaired</u>	<u>Performing</u>	<u>Impaired</u>
Loans				
Current accounts	102,284	1,419	92,964	1,690
Repos	-	-	-	-
Mortgages	1,088,540	23,710	1,013,074	14,569
Credit cards and personal loans	1,449	-	1,830	-
Finance lease	343,258	4,900	297,458	4,949
Factoring	-	-	-	-
Other transactions	199,231	2,746	243,705	2,486
Debt securities				
- structured bonds	-	-	-	-
- other bonds	923,036	-	879,304	-
Total	<u><u>2,657,798</u></u>	<u><u>32,775</u></u>	<u><u>2,528,335</u></u>	<u><u>23,694</u></u>

Large loans

The Bank of Italy's regulations define "large risks" as the net weighted exposure (in relation to both loans and guarantees) to primary business groups where the amount exceeds 10 per cent. of the regulatory capital resources available at a certain time. The table below shows the number and total amount of such large risk positions of the Issuer as at 31 December 2021 and 2020, respectively.

	Large loans	
	As at 31 December	
	2021	2020
Nominal amount (€ thousands)	5,515,327	4,444,050
Number	33	31

Non Performing Loans

With effect from 1 January 2015, under the Bank of Italy's new system of classification, Non Performing loans have been re-categorised as follows:

- **Bad loans** (*crediti in sofferenza*) are exposures to debtors that are in a state of insolvency due to being unable to pay its debts, where there is a failure to comply with a previously agreed upon debt restructuring plan, where insolvency proceedings have been commenced, or where there are other adverse circumstances. For Bad loans, the valuation is performed on individual positions based on a qualitative and quantitative analysis of the borrower's financial position, the riskiness of the credit relationship, possible mitigating factors (collateral) and taking into account the financial impact of the estimated recovery time.
- **Unlikely to pay loans** (*inadempienze probabili*): (aside from those included among Bad loans) are those exposures in respect of which banks believe the debtors are unlikely to meet their contractual obligations in full unless action such as the enforcement of guarantees is taken. For

Unlikely to pay loans, the valuation is based on a qualitative and quantitative analysis of the borrower's financial position and on precise assessment of the risk situation.

- **Past due loans** (*esposizioni scadute deteriorate*): (aside from those classified among Bad loans and Unlikely to pay loans) are those exposures that are past-due by more than 90 days and for above a predefined amount. Exposures classified amongst Past due loans automatically become performing when payment is received.

The following table shows the breakdown of the Issuer's cash exposure to customers based on the above categories as at 31 December 2021 and 2020, respectively.

	As at 31 December					
	2021			2020		
	Gross	Provisions	Net	Gross	Provisions	Net
	(€ thousands)					
Bad Loans	11,836	9,538	2,298	18,376	15,045	3,332
Unlikely to pay	53,386	23,283	30,103	37,898	17,536	20,362
Non Performing past due exposures	453	79	374	1	0	1
Non Performing Loans	65,675	32,900	32,775	56,275	32,581	23,694
Performing loans	3,089,211	14,606	3,074,604	2,962,837	12,555	2,950,282
Total	3,154,886	47,506	3,107,380	3,019,112	45,136	2,973,976

As at 31 December 2021, the Issuer's gross Bad loans amounted to €11,836 thousand, out of a total of €3,155 million total gross exposure to customers, with a ratio of gross Bad loans to total gross exposures of 0.4 per cent., compared to 0.6 per cent. as at 31 December 2020. As at 31 December 2021, the level of loan loss provisions on Bad loans represented 80.6 per cent. compared to 81.9 per cent. as at 31 December 2021, resulting in a net amount of Bad loans of €2,298 thousand. As at 31 December 2021, the net Bad loans on net loans ratio was 0.07 per cent. (0.11 per cent. as at 31 December 2020).

As at 31 December 2021, total gross Unlikely to pay loans amounted to €53,386 thousand, with a ratio of gross Unlikely to pay loans to total gross exposures to customers of 1.7 per cent., compared to 1.3 per cent. as at 31 December 2020. The level of loan loss provisions on gross Unlikely to pay loans amounted to 43.6 per cent., compared to 46.3 per cent. as at 31 December 2020, resulting in a net value of Unlikely to pay loans of €30,103 thousand. In the same period, the net Unlikely to pay loans on net loans ratio was 1.0 per cent., compared to 0.7 per cent. as at 31 December 2020.

As at 31 December 2021, total gross Non Performing loans amounted to €65,675 thousand, compared to €56,275 thousand as at 31 December 2020.

The following table shows the flow of new Non Performing loans for the year ended 31 December 2021.

Flow of new problem loans

	For the year ended		
	31-December-2021		
	(€ thousands)		
	<i>Non Performing</i>	<i>Unlikely to Pay</i>	<i>Non Performing Past Due Exposures</i>
Opening balance – gross exposure	18,376	37,898	1
Increases	1,327	32,766	1,149

Transfer from performing loans	-	22,229	1,148
Transfer from other impaired exposures	1,296	653	-
Other increases	31	9,884	1
Decreases	7,867	17,278	697
Transfer to performing loans	-	1,145	1
Derecognised items	986	-	-
Recovery	4,713	14,284	43
Sales proceeds	109	-	-
Losses from sales proceeds	2,059	-	-
Transfer to other impaired exposures	-	1,296	653
Other decreases	-	553	-
Closing Balance - gross exposure	11,836	53,386	453

In accordance with the Bank of Italy's regulations, the Issuer's financial statements are prepared in accordance with IFRS. The value adjustments for performing and Non Performing loans are calculated according to current regulatory provisions and in such a way to obtain a prudent valuation. As a consequence, Bad loans and Unlikely to pay loans are analytically valued per single debtor, whilst other loans (including performing loans and Past due loans) are valued based on their loan classification.

Securities Portfolio

As a result of the entry into force of the new accounting standard IFRS 9, the Issuer has reclassified its financial assets as at 1 January 2018 into the new envisaged categories. This classification is based on the business model ("held-to-collect", "held-to-collect and sell" or "other") and on the characteristics of the contractual cash flows of the financial asset.

The financial assets held by the Issuer were reclassified into the following categories:

- Amortised cost (AC): a financial asset is measured at amortised cost if both of the following conditions are met:
 - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income (FVTOCI): financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss (FVTPL): any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Assets held for trading

As at 31 December 2021, the Issuer's assets held for trading portfolio amounted to €24,634 thousand, equal to 0.35 per cent. of total assets.

The following table shows a breakdown of the Issuer's assets held for trading, according to the types of securities as at 31 December 2021 and 2020, respectively.

Assets held for trading

	As at 31 December			
	2021		2020	
	<i>Amount</i> (€ thousands)	<i>% of total</i> (%)	<i>Amount</i> (€ thousands)	<i>% of total</i> (%)
Debt instruments	-	-	-	-
Central banks	-	-	-	-
Public entities	-	-	-	-
Banks	-	-	-	-
<i>of which insurance companies</i>	-	-	-	-
Non-financial companies	-	-	-	-
Equity instruments	3,562	14.5	5,451	21.4
Banks	287	1.2	480	1.9
Other financial companies	394	1.6	513	2.0
<i>of which insurance companies</i>	102	0.4	368	1.4
Non-financial companies	2,881	11.7	4,459	17.5
Other issuer	-	-	-	-
Mutual funds	19,659	79.8	18,472	72.6
Derivatives instruments	1,412	5.7	1,531	6.0
Total	24,634	100.0	25,455	100.0

Assets mandatorily at fair value

As at 31 December 2021, the Issuer's assets mandatorily at fair value amounted to €132,402 thousand, equal to 1.90 per cent. of total assets.

The following table shows a breakdown of the Issuer's assets mandatorily at fair value according to the type of securities as at 31 December 2021 and 2020, respectively.

Financial Assets mandatorily at fair value

	As at 31 December			
	2021		2020	
	<i>Amount</i> (€ thousands)	<i>% of total</i> (%)	<i>Amount</i> (€ thousands)	<i>% of total</i> (%)
Equity instruments	194	0.1	188	0.2
Banks	187	0.1	180	0.2
Financial companies	8	0.0	8	0.0
Non-financial companies	-	-	-	-
Debt instruments	479	0.4	651	0.6
Central Banks	-	-	-	-
Public Entities	-	-	-	-
Banks	-	-	-	-
Other financial companies	479	0.4	651	0.6
<i>of which insurance companies</i>	-	-	-	-
Non-financial companies	-	-	-	-
Mutual funds	131,705	99.5	113,180	99.2
Financing	24	0.0	30	0.0

Central Banks	-	-	-	-
Public Entities	-	-	-	-
Banks	-	-	-	-
Other financial companies	24	0.0	30	0.0
<i>of which insurance companies</i>	-	-	-	-
Non-financial companies	-	-	-	-
Households	-	-	-	-
Total	132,402	100.0	114,048	100.0

Assets at fair value through other comprehensive income

As at 31 December 2021, the Issuer's assets at fair value through other comprehensive income amounted to €472,771 thousands, equal to 6.78 per cent. of total assets.

The following table shows a breakdown of the Issuer's assets available for sale according to the type of securities as at 31 December 2021 and 2020, respectively.

Financial Assets at fair value through other comprehensive income

	As at 31 December			
	2021		2020	
	Amount (€ thousands)	% of total (%)	Amount (€ thousands)	% of total (%)
Debt instruments	416,304	88.1	421,266	91.8
Central Banks	-	-	-	-
Public Entities	416,304	88.1	421,266	91.8
Banks	-	-	-	-
Other financial companies	-	-	-	-
<i>of which insurance companies</i>	-	-	-	-
Non-financial companies	-	-	-	-
Equity instruments	56,467	11.9	37,586	8.2
Banks	42,632	9.0	29,101	6.3
Other issuers	13,836	2.9	8,485	1.8
<i>Other financial companies</i>	<i>12,788</i>	<i>2.7</i>	<i>7,406</i>	<i>1.6</i>
<i>of which insurance companies</i>	<i>7,193</i>	<i>1.5</i>	<i>7,193</i>	<i>1.6</i>
<i>Non-financial companies</i>	<i>1,048</i>	<i>0.2</i>	<i>1,079</i>	<i>0.2</i>
<i>Others</i>	-	-	-	-
Total	472,771	100.0	458,852	100.0

Funding

As at 31 December 2021, the total amount of funds borrowed by the Issuer was €6,444 million representing an increase of 19.3 per cent. compared to €5,402 million as at 31 December 2020. The table below shows a breakdown of the Issuer's sources of funding.

Funding

	As at 31 December			
	2021		2020	
	(€ thousands)	(%)	(€ thousands)	(%)

Due to banks	4,465,693	69.3	3,598,782	66.6
Due to customers	1,152,226	17.9	1,078,416	20.0
Bonds	825,803	12.8	724,748	13.4
Total funding	6,443,722	100.00	5,401,945	100.00

Capital Ratios

Pursuant to Art. 53-*bis*, paragraph 1, letter d) of Legislative Decree No. 385 of 1 September 1993, in 2021, the Issuer was required to maintain the following OCR (Overall Capital Requirement) ratios: a CET 1 ratio of at least 7.75 per cent., a Tier I Capital to total Risk Weighted Asset ratio ("**Tier I Ratio**") of at least 9.35 per cent. and a Total Capital Ratio (that is, the ratio of total capital to total risk-weighted assets) of at least 11.50 per cent. Since 2022, the Issuer is required to comply with the following OCR (Overall Capital Requirement) ratios: a CET 1 ratio of at least 8.50 per cent., a Tier I Capital to total Risk Weighted Asset ratio ("**Tier I Ratio**") of at least 10.20 per cent. and a Total Capital Ratio (that is, the ratio of total capital to total risk-weighted assets) of at least 12.45 per cent.

The Issuer's Capital Ratios as at 31 December 2021 and 2020, respectively, are shown in the table below and exceed the minimum mandatory levels required by the Bank of Italy.

	As at 31 December	
	2021	2020
	(%)	
CET1 capital ratio	21.09%	20.54%
Total capital ratio	21.09%	20.54%

Management

Board of Directors

The Issuer's Board of Directors is responsible for the Issuer's management. As provided in its By-laws, the Board of Directors must be composed of nine directors, each of whose appointment is valid for a three-year period. The directors can be re-elected but may be removed in accordance with applicable laws. The Board of Directors appoints the Chairman, one Vice-Chairman and the Executive Committee.

Board of Directors' meetings are convened by the Chairman on a regular basis. The majority of the directors are required to attend in order for the meeting to be validly constituted and resolutions to be validly passed.

The Board of Directors is vested with all ordinary and extraordinary administrative powers and may carry out all acts necessary and appropriate for the achievement of the Issuer's corporate objects, except for those that by law or under the Issuer's By-laws are reserved to the other Issuer's bodies.

The following table sets forth the names of the current members of the Board of Directors, their positions and principal activities outside the Issuer.

Name	Position	Principal activities outside the Issuer
Hanspeter Felder	Chairman	Chairman of Raiffeisenkasse Bruneck
Josef Alber	Vice Chairman	Chairman of Raiffeisenkasse Etschtal
Massimo Andriolo	Director	Business Consultant
Wolfram Gapp	Director	Chairman of Raiffeisenkasse Untervinschgau

Name	Position	Principal activities outside the Issuer
Peter Paul Heiss	Director	Chairman of Raiffeisenkasse Sarntal
Jakob Franz Laimer	Director	Managing Director of Raiffeisenkasse Passeier
Georg Mutschlechner	Director	Chairman of Cassa Raiffeisen Val Badia
Veronika Skocir	Director	Business Consultant
Manfred Wild	Director	Managing Director of Raiffeisenkasse Tauferer-Ahrntal

The business address of each of the members of the Board of Directors is the Issuer's registered office.

The Issuer is not aware of any conflicts of interest between the duties owed by the persons listed above to the Issuer and their private interests or other duties.

Board of Statutory Auditors

Under Italian law, the Issuer's shareholders are also responsible for electing a Board of Statutory Auditors (*Collegio Sindacale*), composed of three independent experts in accounting matters. Under the Issuer's By-laws, the shareholders also elect two alternate statutory auditors, who will automatically replace statutory auditors who resign or are otherwise unable to serve the office. Statutory auditors and alternate statutory auditors hold office for a three-year period and may be re-elected.

The following table sets forth the names of the current members of the Board of Statutory Auditors.

Name	Title	Principal activities outside the Issuer
Hubert Berger	Chairman	Business Consultant
Hildegard Oberleiter	Statutory Auditor	Business Consultant
Klaus Steckholzer	Statutory Auditor	Business Consultant
Martina Malfertheiner	Substitute Auditor	Business Consultant
Roland Stuefer	Substitute Auditor	Business Consultant

The business address of each of the members of the Board of Statutory Auditors is the Issuer's registered office.

The Issuer is not aware of any conflicts of interest between the duties owed by the Statutory Auditors to the Issuer and their private interests or other duties.

Independent Auditors

At the general shareholders' meeting held on 18 May 2020, EY S.p.A. ("**EY**") was appointed as independent auditor for the period from 2021 to 2029. PricewaterhouseCoopers S.p.A. ("**PwC**") was the independent auditor from 2012 to 2020.

The Issuer's annual financial statements as at and for the year ended on, respectively 31 December 2020 and 31 December 2021, incorporated by reference in this Base Prospectus, have been audited by the Issuer's independent auditors PwC and EY, respectively.

PwC's head office is at Piazza Tre Torri 2, 20145 Milan and it is registered with the Consob's special register for auditing firms (*Albo Speciale delle Società di Revisione*) under No. 43. PwC is also a member of Assirevi, the Italian association of auditors.

EY S.p.A., with registered office in Via Meravigli 12, Milan, is registered under No. 70945 in the Register of Accountancy Auditors (Registro Revisori Legali) by the MEF, in compliance with the provisions of Legislative Decree of January 27, 2010, No. 39. EY is also member of Assirevi, the Italian association of auditors.

Employees

The Issuer had 229 permanent employees as at 31 December 2021, compared to 207 as at 31 December 2020 (an increase of 10.63 per cent.). Of these, 19.21 per cent were part-time employees as at 31 December 2021, compared to 19.84 per cent. as at 31 December 2020.

Litigation

The Issuer is currently involved in litigation in the normal course of its business. Although it is difficult to predict the outcome of this litigation with certainty, the Issuer's management is confident that, in respect of any liabilities that may arise, adequate provisions have been made in the Issuer's financial statements. Furthermore, such liabilities, if any, are unlikely, as a whole, to have any material adverse effect on the Issuer, its financial condition or its results of operations.

OVERVIEW OF FINANCIAL INFORMATION OF THE ISSUER

The audited annual financial statements of the Issuer as at and for the years ended 31 December 2021 and 2020, together with the accompanying notes and audit reports, are incorporated by reference in this Base Prospectus. See "*Information Incorporated by Reference*". Such annual financial statements have been prepared in accordance with IFRS. The annual financial statement as at and for the year ended on 31 December 2021 and 31 December 2020, has been audited by EY and PwC respectively.

The following tables present audited annual balance sheet and statement of income information of the Issuer as at and for the years ended 31 December 2021 and 2020. All of the financial information set out below is derived from, should be read in conjunction with and is qualified in its entirety by reference to the full annual financial statements of the Issuer incorporated by reference in this Base Prospectus, in each case together with the accompanying notes. In particular, the financial tables set out below are in English, whereas the original annual financial statements, as incorporated by reference in this Base Prospectus, are in German. In the event of any inconsistencies or discrepancies between the text in German and English, the original German version will prevail.

CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE S.p.A. Audited Annual Balance Sheets

Assets

	As at 31 December	
	2021	2020
	<i>(Euro)</i>	<i>(Euro)</i>
Cash and cash equivalents	974,847,447	537,067,785
Financial assets at fair value through profit or loss	157,035,793	139,502,251
<i>a) financial assets held for trading</i>	24,633,933	25,454,690
<i>b) financial assets designated at fair value</i>	0	0
<i>c) other financial assets mandatory at fair value</i>	132,401,860	114,047,562
Financial assets at fair value through other comprehensive income	472,770,915	458,852,367
Financial assets at amortised cost	5,276,507,402	4,653,804,129
<i>a) loans and advances to banks</i>	2,585,934,081	2,101,774,634
<i>b) loans and advances to customers</i>	2,690,573,321	2,552,029,495
Hedging derivatives	0	0
Equity investments	26,462,786	32,343,604
Property, plant and equipment	14,057,845	14,716,775
Intangible assets	123,934	30,072
<i>of which: goodwill</i>	117,400	0
Tax Assets	6,878,665	10,848,682
<i>a) current</i>	242,351	3,663,228
<i>b) deferred</i>	6,636,314	7,185,455
Other assets	39,562,018	25,604,519
Total Assets	6,968,246,805	5,872,770,184

CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE S.p.A.
Audited Annual Balance Sheets (Cont'd)

Liabilities and Shareholders' Equity

	As at 31 December	
	2021	2020
	<i>(Euro)</i>	<i>(Euro)</i>
Financial liabilities at amortised cost	6,443,721,902	5,401,945,427
<i>a) deposits from banks</i>	4,465,692,939	3,598,781,753
<i>b) deposits from customers</i>	1,152,226,301	1,078,416,102
<i>c) securities issued</i>	825,802,662	724,747,572
Financial liabilities held for trading	1,127,912	1,444,004
Hedging derivatives	1,183,560	2,207,958
Tax liabilities	11,056,342	10,163,108
<i>a) current</i>	5,615,510	0
<i>b) deferred</i>	5,440,831	10,163,108
Other liabilities	38,971,928	25,048,894
Provision for employee severance pay	3,428,507	3,676,031
Allowances for risks and charges	2,803,095	3,134,081
<i>a) commitments and guarantees given</i>	2,422,345	2,672,495
<i>b) post-retirement benefit obligations</i>	0	0
<i>c) other allowances for risk and charges</i>	380,750	461,585
Valuation reserves	21,202,073	26,711,588
<i>of which: from discontinued operations</i>	0	0
Reserves	177,012,709	149,368,546
<i>Accounts on dividends</i>	0	0
Share capital	225,000,000	225,000,000
Net income (loss)	42,738,777	24,070,547
Total Liabilities and Shareholders' Equity	6,968,246,805	5,872,770,184

CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE S.p.A.
Audited Annual Statement of Income

	For the year ended 31 December	
	2021	2020
	(Euro)	(Euro)
Interest and similar income	72,690,779	62,220,380
Interest and similar expense	-30,057,195	-18,502,760
Net interest margin	42,633,583	43,717,620
Fee and commission income	37,491,726	28,723,259
Fee and commission expenses	-17,370,988	-11,921,389
Net fee and commission income	20,120,738	16,801,870
Dividend and similar income	1,588,136	2,079,891
Net gains (Losses) on trading	3,435,893	2,270,404
Net gains (Losses) on hedge accounting	37,055	-85,033
Gains (Losses) on disposal or repurchase of:	6,921,176	6,208,491
<i>a) financial assets measured at amortised cost</i>	-1	2,668,274
<i>b) financial assets measured at fair value through other comprehensive income</i>	6,953,670	3,558,333
<i>c) financial liabilities</i>	-32,494	-18,116
Net gains (Losses) on other financial assets and liabilities measured at fair value through profit or loss:	14,087,642	615,751
<i>a) financial assets and liabilities designated at fair value</i>	0	0
<i>b) other financial assets mandatorily measured at fair value</i>	14,087,642	615,751
Operating Income	88,824,223	71,608,994
Net impairment / adjustments on:	-8,648,780	-9,665,837
<i>a) financial assets measured at amortised cost</i>	-8,545,420	-9,728,054
<i>b) financial assets measured at fair value through other comprehensive income</i>	-103,360	62,217
Gains (Losses) on changes in contracts without derecognition	-20,125	0
Net profit from financial activities	80,155,317	61,943,157
Administrative expenses	-41,214,789	-36,164,233
<i>a) personnel expenses</i>	-21,357,666	-18,876,116
<i>b) other administrative expenses</i>	-19,857,123	-17,288,117
Net provisions for risks and charges	236,691	-720,789
<i>a) commitments and guarantees given</i>	250,151	-611,740
<i>b) other net provisions</i>	-13,460	-109,049
Net adjustments on property plant and equipment	-824,171	-821,225
Net adjustments on intangible assets	-26,449	-104,676
Other operating expenses (income)	8,721,056	7,073,901
Operating expenses	-33,107,661	30,737,022
Profits (Losses) on investments in associates	7,027,084	1,448,970
Profits (Losses) on disposal of investments	-785	-4,050
Profit (Loss) before tax from continuing operations	54,073,955	32,651,055
Income taxes	-11,335,178	-8,580,508
Profit (Loss) after tax from continuing operations	42,738,777	24,070,547
Profit (Loss) of the year	42,738,777	24,070,547

TAXATION

The following is a general summary of certain Italian tax consequences of acquiring, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. This summary is based upon Italian tax laws and/or practice in force as at the date of this Base Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in law and, if any such change occurs, the information in this summary could be superseded.

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 state, regional or local tax laws.

Italian tax treatment of Notes

Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented ("**Decree No. 239**"), provides for the tax treatment applicable to interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from bonds issued by, *inter alia*, Italian resident banks. The provisions of Decree No. 239 apply to Notes falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**"). The tax regime set forth by Decree No. 239 also applies to interest, premium and other income arising from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks, other than shares and assimilated instruments.

Pursuant to Article 44 of Decree No. 917, securities qualify as *titoli similari alle obbligazioni* (securities similar to bonds), if same (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value, with or without the payment of periodic interest and (ii) do not give any right to directly or indirectly participate in the management of the issuer or in the business in connection to which the securities were issued, nor to control the same.

Notes that qualify as *obbligazioni* or *titoli similari alle obbligazioni*

Italian tax resident Noteholders

Pursuant to Decree No. 239, payments of Interest relating to Notes qualifying as *obbligazioni* or *titoli similari alle obbligazioni* are subject to a substitute tax (referred to as "*imposta sostitutiva*") levied at the rate of 26% (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes) where an Italian tax resident holder of Notes is the beneficial owner of such Notes, and is:

- (a) an individual not holding the Notes in connection with an entrepreneurial activity, unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito regime* (the "**Asset Management Option**") pursuant to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended ("**Decree No. 461**"), or

- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities or a professional association, or
- (c) a private or public institution, other than companies, not carrying out mainly or exclusively commercial activities, or
- (d) an investor exempt from Italian corporate income taxation.

All the above categories are referred to as "**net recipients**".

Where the holders of the Notes described in (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the substitute tax applies as a provisional tax creditable against the overall corporate income tax due.

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 substitute tax, on interest, premium and other income relating to the Notes, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable under Italian law.

Pursuant to Decree No. 239, the 26% substitute tax is applied (i) by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stockbrokers and other qualified entities resident in Italy ("**Intermediaries**" and each an "**Intermediary**"), (ii) by permanent establishments in Italy of banks or intermediaries resident outside Italy or (iii) by an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239. For the purposes of applying substitute tax, the persons indicated in (i) to (iii) above must intervene, in any way, in the collection of Interest accrued on the Notes or in the transfer of the Notes or in any change of Intermediary with which the Notes are deposited or in a transfer from a deposit to a different deposit held with the same Intermediary.

Where the Notes are not deposited with an Intermediary, the substitute tax is applied and withheld by any Intermediary intervening in the payment of Interest or, in the absence of any such Intermediary, by the Issuer (provided that the payment of Interest is made directly by the Issuer).

Where an Italian tax resident Noteholder (being the beneficial owner of payments of Interest on the Notes) is (i) a company or similar commercial entity, or a permanent establishment in Italy of foreign corporation to which the Notes are effectively connected; (ii) an Italian resident collective investment fund, Italian resident pension fund or Italian resident real estate investment fund; (iii) an Italian resident partnership carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*); (iv) an Italian resident individual not holding the Notes in connection with an entrepreneurial activity who has entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and has opted for the Asset Management Option regime and the Notes are deposited with an Intermediary, Interest would not be subject to substitute tax.

Interest accrued on the Notes are included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholders, also in the net value of production for the purposes of regional tax on productive activities - IRAP) of Italian resident corporations or Italian permanent establishments of foreign entities (who are beneficial owners) to which the Notes are effectively connected, subject to taxation according to the ordinary rules and at the ordinary rates.

If the Noteholder (being the beneficial owner of payments of Interest on the Notes) is an Italian pension fund subject to the regime provided under Legislative Decree No. 252 of 5 December 2005 (the "**Italian**

Pension Fund"), and the Notes are deposited with an Intermediary, Interest would not be subject to substitute tax but would be included in the annual net accrued results of such pension funds, which is subject to a 20% annual substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable under Italian law.

If the Noteholder (being the beneficial owner of payments of Interest on the Notes) is an Italian resident Collective Investment Fund and the Notes are deposited with an Intermediary, Interest paid to unit holders or shareholders would not be subject to substitute tax (see Circular letter No. 11 dated 28 March 2012) but to a withholding tax of 26% (on account of taxes or as final tax depending on the status of the unit holder or shareholder), subject to certain exemptions.

Where a Noteholder is an Italian resident real estate investment fund to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply (the "**Real Estate Funds**"), Interest accrued on the Notes will be subject neither to substitute tax nor to any other income tax in the hands of the Real Estate Fund to the extent that the Notes and the relevant Coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary but subsequent distributions made in favour of unit holders or shareholders will be subject, in certain circumstances, to a withholding tax of 26%.

Non-Italian tax resident Noteholders

Pursuant to Decree No. 239, payments of Interest in respect of Notes qualifying as *obbligazioni* or *titoli similari alle obbligazioni* are not subject to substitute tax provided *that*:

- (a) payments are made to non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected;
- (b) such beneficial owners are resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy and listed in the Italian Ministerial Decree dated 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (the "**White List**"); and
- (c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from substitute tax are complied with in due time.

Decree No. 239 provides for additional exemptions from substitute tax for payments of Interest made to: (i) international entities and organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in a State listed in the White List; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26% substitute tax, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes;
- (b) deposit the Notes in due time together with the coupons directly or indirectly with an Intermediary, or a permanent establishment in Italy of a non-Italian bank or financial intermediary, or with a non-Italian resident operator participating in a centralised securities

management system which is in contact, via computer, with the Ministry of Economy and Finance; and

- (c) file in due time with the relevant depository a declaration (*autocertificazione*) stating, *inter alia*, that they are resident, for tax purposes, in a country which recognises the Italian tax authorities' right to an adequate exchange of information. Such declaration (*autocertificazione*) which must comply with the requirements set forth by a Decree of the Ministry for the Economy and Finance of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and needs not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified by Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident Noteholder to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules results in the application of substitute tax on Interest paid to such non-Italian resident Noteholder.

Should the exemption described above not apply, the 26% substitute tax may be reduced under certain applicable double tax treaties entered into by Italy and the country of residence of the relevant Noteholder, if more favourable, subject to timely filing of required documentation.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the relevant 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 *substitute tax*, the issue price of the new Tranche will be 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% multiplied by the number of years of the duration of the Notes.

Notes that qualify as atypical securities

Interest payments relating to Notes qualifying as atypical securities (*titoli atipici*) according to Article 5 of Law Decree No. 512 of 30 September 1983, as amended, are subject to withholding tax levied at a rate of 26% (final or on account depending on the "status" and tax residence of the Noteholder).

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), shares or securities similar to shares pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, 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 under Italian law.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in Italy of a foreign entity, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax.

The withholding tax may be reduced under certain applicable double tax treaties entered into by Italy and the country of residence of the relevant Noteholder, if more favourable, subject to timely filing of required documentation.

Capital gains

Italian tax resident Noteholders

Capital gains deriving from the disposal, sale or redemption of the Notes by Italian tax resident individuals not engaged in entrepreneurial activities to which the Notes are effectively connected, are subject to 26% tax (as substitute tax), pursuant to one of the following regimes:

- (a) Under the so called "*tax return regime*", which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities to which the Notes are effectively connected, the 26% tax is chargeable, on a cumulative basis, on all capital gains net of any incurred offsettable capital loss realised by any such taxpayer on the disposal, sale or redemption of the Notes occurring in any given tax year. Such gain, net of any incurred offsettable capital loss, must be reported in the year-end tax return and the tax must be paid on the capital gain together with any income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent tax years. This regime automatically applies if the Noteholders does not expressly opt for one of the following regimes:
- (b) Under the discretionary investment portfolio regime (*regime del risparmio amministrato*), such taxpayer may elect to pay the tax separately on capital gains realised on each sale or redemption of the Notes. This separate taxation of capital gains is allowed subject to (x) the Notes being deposited with an authorised Intermediary and (y) the taxpayer making a timely election in writing for the *risparmio amministrato* regime, addressed to any such Intermediary. The Intermediary is then responsible for accounting for the tax in respect of capital gains realised on each disposal, sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss and is required to pay the relevant amount to the Italian tax authorities on behalf of the Noteholder deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Losses may be deducted from capital gains subsequently realised within the same securities portfolio in the same tax period. Losses in excess can be carried forward in the following years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to report the capital gains in his annual tax return;
- (c) Under the Asset Management Option regime (*regime del risparmio gestito*), eligible when the Notes are included in a portfolio managed by an authorised Intermediary, the 26% tax is paid on the annual appreciation of the investment portfolio accrued, even if not realised, at the year-end (including the gains realised on the disposal, sale or redemption of the Notes). The tax is paid by the authorised Intermediary. Any depreciation of the investment portfolio accrued at year-end may be carried forward and netted against the appreciation accrued in any of the four succeeding tax years. Under such regime, the Noteholder is not required to report the capital gains realised in his annual tax return.

Capital gains realised by Italian companies or similar commercial entities (including permanent establishments in Italy of foreign corporation to which the Notes are effectively connected) or by Italian tax resident individuals engaged in entrepreneurial activities to which the Notes are effectively connected, are included in the overall taxable business income subject to corporate or personal income tax, as the case may be (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for the purposes of the regional tax on productive activities – IRAP).

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

In the case of Notes held by Collective Investment Funds, capital gains realised upon disposal of the Notes are not taxable at the level of such Funds. Generally, a 26% withholding tax applies on distributions to the unit holders or shareholders (on account of taxes or as final tax depending on the status of the unit holder or shareholder), subject to certain exemptions.

In the case of Notes held by Italian Pension Funds, capital gains on the Notes contribute to determine the annual net accrued result of same Pension Funds, which is generally subject to a 20% substitute tax.

Capital gains on Notes held by Italian Real Estate Investment Funds are not taxable at the level of same Real Estate Investment Funds, save for the tax regime introduced by Law Decree No. 70 of 13 May 2011 with respect to the taxation of units holders.

Non-Italian tax resident Noteholders

The 26% capital gains tax may, in certain circumstances, be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian tax resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian tax residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad (as defined in the EC Directive No. 2014/65/EC), and in certain cases, subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) Pursuant to the provisions of Decree No. 461, Law Decree No. 350 of 25 September 2001 and Decree No. 239, as modified in particular by Article 41 of Law Decree No. 269 of 30 September 2003, non-Italian tax resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from tax in Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident for tax purposes in a country allowing an adequate exchange of information with the Italian tax authorities.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Option or are subject to the *risparmio amministrato* regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the residence requirement indicated above.

- (b) 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 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 tax in Italy on any capital gains realised upon sale for consideration or redemption of Notes.
- (c) Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Option or are subject to the *risparmio amministrato* regime, exemption from Italian capital gains tax will apply upon condition that they file in due time with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.
- (d) The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration with Italian Intermediaries, 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

Pursuant to Law Decree No. 262 of 3 October 2006, converted into law with amendments by Law No. 286 of 24 November 2006 (as amended), the transfer of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows.

Inheritance and gift taxes apply according to the following rates and exclusions:

- (e) transfers in favour of spouses and direct descendants or ancestors are subject to an inheritance and gift tax applied at a 4% rate on the value of the Notes exceeding €1,000,000 (per beneficiary);
- (f) transfers in favour of brothers or sisters are subject to an inheritance and gift tax applied at a 6% rate on the value of the Notes exceeding €100,000 (per beneficiary);
- (g) transfers in favour of relatives up to the fourth degree and relatives-in-law up to the third degree are subject to an inheritance and gift tax applied at a 6% rate on the entire value of the Notes; and
- (h) any other transfer is subject to an inheritance and gift tax applied at a 8% rate on the entire value of the Notes.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognised pursuant to Law No. 104 of 5 February 1992, the tax is applied only on the value of the Notes received in excess of €1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

Registration tax

Contracts relating to the transfer of Notes are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to a fixed registration tax of €200; (ii) private deeds (*scritture private non autenticate*) are subject to a fixed registration tax of €200 in "case of use" and if it is voluntarily filed for registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011, converted into law – with amendments – by Law No. 214 of 22 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to any periodic reporting communication which is, or is deemed to be, sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary.

The stamp duty applies at a rate of 0.2% and is determined on the basis of the market value or, if no market value figure is available, on the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed €14,000 for taxpayers other than for individuals.

Certain aspects of the relevant discipline have been clarified and implemented by Ministerial Decree of 24 May 2012 issued by the Ministry of Economy and Finance.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that Notes are held with an Italian-based financial intermediary.

Wealth tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside Italian territory are required to pay an additional tax at a rate of 0.2% ("**Ivafe**").

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the tax is computed on the nominal value or on the redemption value of the financial assets. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax monitoring requirements

Pursuant to Law Decree No. 167 of 28 June 1990 converted into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (in particular, *società semplici* and assimilated entities referred to in Article 5 of Decree No. 917) resident for tax purposes in Italy are required – under certain conditions – to report in their yearly income tax return, for tax monitoring purposes, the quality and value of securities (including the Notes) held abroad during the tax year.

Such reporting obligation occurs where the same persons mentioned above qualify as beneficial owner ("*titolari effettivi*") of the Notes in accordance with Decree No. 231 of 21 November 2007.

The above persons are, however, not required to comply with the reporting requirements in respect of securities deposited with qualified Italian financial intermediaries and in respect of contracts entered into through their intervention, upon condition that (i) the items of income derived from such securities are collected through the intervention of the same intermediaries (ii) the intermediaries applies the relevant withholding on that income.

Proposed Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal for a Directive for a common financial transaction tax ("**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 Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the proposal the 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 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 the participating Member States and it may therefore be altered prior to any implementation or implemented after the above mentioned date. In addition, other EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign pass-thru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as 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 Notes, such withholding would not apply prior to the date that is two years after the date of publication of final regulations with the U.S. Federal Register defining foreign pass-thru payments. To date such final regulations have not yet been published. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in 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.

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 an amended and restated Dealer Agreement dated 7 July 2022 (the "**Dealer 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 Dealer 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.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

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 Dealer 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 Fiscal 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 Fiscal 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 the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or

- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**), and the applicable Italian laws.

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

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

France

Each Dealer has represented, warranted and undertaken to the Issuer and each other Dealer (if any) 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 the 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 and agreed, and each further Dealer appointed under the Programme will be required to represent 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

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", 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 (or are the subject of the offering contemplated by a Drawdown Prospectus) 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 Directive 2014/65/EU (as amended, "**EU MiFID II**"); or
- (ii) a customer within the meaning Directive (EU) 2016/97 ("**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.

Public Offer Selling Restriction Under the Prospectus Regulation

If the Final Terms in respect of any Notes does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes in that Member State:

- (a) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) **Fewer than 150 offerees:** at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) **Other exempt offers:** at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of sales to UK Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes the legend "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 (or are the subject of the offering

contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as 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 FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 it forms part of UK domestic law by virtue of the EUWA.

If the Final Terms in respect of any Notes does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

General

Each Dealer has represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any Final Terms or related offering material, in all cases at its own expense. Other 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 or distribute such offering material, in all cases at their own expense.

The Dealer 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 in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will (if required by applicable law) be set out in a supplement to this document.

Selling restrictions addressing additional UK Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention by the Issuer of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**");
- (b) *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
- (c) *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 INFORMATION

Listing and admission to trading

This Base Prospectus has been approved by the CSSF as a base prospectus. Application has been made for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

However, Notes may 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.

Authorisations

The 2022 update of the Programme has been authorised by a resolution of the Board of Directors of the Issuer dated 23 May 2022. 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 529900N2ZB1B52JB2F83.

Use of proceeds

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general funding requirements, or as otherwise indicated in the relevant Final Terms or Drawdown Prospectus relating to the issuance including to be applied towards Eligible Green Bonds (including Climate Bonds, certified as such by the Climate Bonds Standard and Certification Scheme), Eligible Social Bonds, or a re-financing of any combination of both Green and Social Bonds (Sustainability Bonds).

PwC delivered to the Issuer an independent second party opinion dated 11 December 2020 on the Sustainability Bond Framework that can be consulted at: https://www.raiffeisen.it/raiffeisenkasse/Landesbank/2_Ueber_uns/5_Produnkte_und_Services/3_Obligationen_der_RLB/PwC_Second_Party_Opinion.pdf

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 its subsidiaries and, so far as the Issuer is aware, no such proceedings are pending or threatened.

No material adverse change / significant change

Since 31 December 2021, there has been no adverse change in the prospects of the Issuer that is material in the context of the Programme or the issue of the Notes and no significant change in the financial performance or financial position of the Issuer or the Issuer and its subsidiaries.

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 for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents may be inspected during normal business hours at the Specified Office of the Fiscal Agent, namely:

- (a) a certified copy of the By-laws of the Issuer (in German);
- (b) the Agency Agreement for the English Law Notes;
- (c) the Agency Agreement for the Italian Law Notes;
- (d) the Deed of Covenant;
- (e) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
- (f) any future base prospectus, prospectuses, information memoranda, supplements, Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Publication on the Internet

The By-laws (*Statuto*) of the Issuer are available on the Issuer's website at:

https://www.raiffeisen.it/raiffeisenkasse/Landesbank/2_Ueber_uns/4_Veroeffentlichungen_und_Berichte/9_Statuten_Gruendungsakt/Statut_DT-ITA_2021.pdf

This Base Prospectus and the documents listed in paragraph (f) above are available on the Issuer's website at:

<https://www.raiffeisen.it/de/landesbank/ueber-uns/produkte-und-services/obligationen-der-raiffeisen-landesbank-suedtirol-ag.html>

Schedule 1 (*Provisions for Meetings of Noteholders*) of the Agency Agreement for the Italian Law Notes and the Agency Agreement for the English Law Notes relating to the representation of the Noteholders and an identification of the organisation representing the investors and provisions applying to such representation is available at the Issuer's website:

<https://www.raiffeisen.it/de/landesbank/ueber-uns/produkte-und-services/obligationen-der-raiffeisen-landesbank-suedtirol-ag.html>

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 Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

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. 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.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through any additional or alternative clearing systems, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Validity of base prospectus and base prospectus supplements

For the avoidance of doubt, the Issuer shall have no obligation to supplement this base prospectus after the end of its 12-month validity period.

THE ISSUER

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