

Disclosure on public funding pursuant to Article 1, paragraph 125 of Italian Law no. 124 of 4 August 2017 ("Annual Law on market and competition")

Note that Italian Law no. 124 of 4 August 2017 "Annual law for the market and competition" (hereinafter also Italian Law no. 124/2017) introduced in Article 1, paragraphs 125 to 129, some measures aimed at ensuring transparency in the system of public funding.

In particular, this law envisages, inter alia, that companies must provide in the explanatory notes as at 31 December 2019 - and in consolidated explanatory notes, if any - information relating to "grants, contributions, paid assignments and any kind of economic advantages" (hereinafter referred to as "public grants") received from public administrations and other entities referred to in Article 1, paragraph 125 of the said law. Failure to comply with the legal requirement of publication will result in the return of the sums received to the paying agents.

In order to avoid the accumulation of irrelevant information, the legal requirement of publication does not exist if the amount of public funds received is below the threshold of Euro 10,000.

Despite the clarifications provided by the Council of State in its opinion no. 1149 of 1 June 2018, the law in question presents some doubts as to its interpretation and application, with a special reference to the objective scope of application, for which reference was also made to the guidelines that emerged from trade associations (Assonime). In particular, taking into account the criteria that were the basis of the law and the guidelines that have emerged, the disclosure requirements should not include the following cases:

- fees for services rendered by the company in the course of professional services and supplies or of any other task forming part of the normal course of business. These are amounts received that do not relate to the field of perks/public support policies;
- tax advantages available to all companies meeting certain conditions based on predetermined general criteria that are also the subject matter of specific declarations;
- granting of subsidised loans to its customers as these are the funds of others (e.g. interest subsidy from the public administration) and not the own funds of the bank that acts as an intermediary.

Moreover, it should be noted that since August 2017, the National State Aid Register has been active at the General Management for Enterprise Incentives of the Ministry of Economic Development, in which State aid and de minimis aid to each company must be

published by the entities granting or managing that aid. For individual aid to the Bank, please refer to the section on "Register Transparency", which is publicly available.

This being stated, in compliance with the provisions of Article 1, paragraph 125, of Italian Law no. 124 of 4 August 2017,

the following is evidence of the amounts received in 2019 by the Bank as "grants, contributions, paid assignments and, in any case, economic advantages of any kind":

Type of contributions	Granting Authority	Amounts collected in 2019
Aid for personnel training	FBA (Fondo Banche e Assicurazioni)	184,000.00
Advertising Investment Credit		24,200.00
Incentives for hiring disabled people	Province of Brescia	24,000.00
Tax relief	INPS	5,456.31
Total		237,656.31

In this regard, note that, for the sake of completeness, the above table also shows the economic benefits below the threshold of Euro 10,000 and the Advertising Investment Credit: these are, respectively, the reduction of INPS social security contributions enjoyed during the year and the tax benefit, introduced by Article 57-bis of Italian Law Decree no. 50 of 24 April 2017 - converted with amendments by Italian Law no. 96 of 21 June 2017 - which grants a tax credit on incremental advertising investments planned and carried out in the press (local and national daily newspapers and periodicals including online) and on local radio and television broadcasters.