INFORMATION MEMORANDUM

Banca
Valsabbina

BANCA VALSABBINA SOCIETÀ COOPERATIVA PER AZIONI

(incorporated as a *Società Cooperativa per Azioni* in the Republic of Italy under registered number 00283510170, parent company of the "Banca Valsabbina" banking group pursuant to article 61, paragraphs 1 and 4 of the Legislative Decree No. 385 of 1 September 1993)

"Euro 50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 14 September 2036"
ISIN: IT0005730715

The Euro 50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 14 September 2036 (the **Notes**) will be issued by Banca Valsabbina Società Cooperativa per Azioni (**Banca Valsabbina** or the **Issuer**). The Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer, as fully described under Condition 2 (*Status*) in the "*Terms and Conditions of the Notes*" and will be governed by, and construed in accordance with Italian law, as described under Condition 13 (*Governing Law and Submission to Jurisdiction*) in the "*Terms and Conditions of the Notes*".

Banca Valsabbina is a credit institution incorporated with limited liability as *società cooperativa per azioni* in the Republic of Italy under registered number 00283510170, in its quality of parent company of the "Banca Valsabbina" banking group pursuant to article 61, paragraphs 1 and 4 of the Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented (the **Italian Consolidated Banking Act**) and registered with the Register of Banking Groups held by the Bank of Italy under number 5116 (the **Group**).

The Notes will be held in dematerialised form on behalf of the Noteholders (as defined below) by Monte Titoli (as defined below) for the account of the relevant Monte Titoli Account Holders pursuant to the relevant provisions of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and in accordance with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) and Bank of Italy Joined Regulation dated 13 August 2018, as subsequently amended and supplemented from time to time (the **CONSOB and Bank of Italy Joined Regulation**), as further described in the "*Terms and Conditions of the Notes*". **Monte Titoli Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

The Notes will bear interest at the applicable Rate of Interest (as defined in Condition 3 (*Interest*)) from, and including, 14 September 2026 (the **Issue Date**), payable annually in arrears on 14 September in each year. Rate of Interest for each Interest Period (i) from (and including) the Issue Date to (but excluding) 14 September 2031 (the **Reset Date**) will be 6.25 per cent. *per annum* and (ii) from (and including) the Reset Date to (but excluding) 14 September 2036 (the **Maturity Date**) will be the Reset Rate of Interest, each as defined in Condition 3 (*Interest*).

Unless previously redeemed or purchased and cancelled as provided in "*Terms and Conditions of the Notes*", the Notes will be redeemed at 100 per cent. of their principal amount on 14 September 2036. Noteholders do not have the right to call for the redemption of the Notes. The Issuer may, at its option (subject, *inter alia*, to the approval of the Bank of Italy or any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer (the **Competent Authority**) as further set out in Condition 5.3 (*Redemption at the Option of the Issuer (Issuer Call)*) in "*Terms and Conditions of the Notes*"), redeem the Notes in whole, but not in part, on the Reset Date at their principal amount, together with interest accrued to the date fixed for redemption. The Issuer may also, at its sole discretion, but subject to the provisions of Condition 5.8 (*Conditions* *to Early Redemption and Purchase of Notes*)), at any time, redeem the Notes in whole but not in part upon occurrence of a change in the regulatory classification of the Notes that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, as Tier 2 Capital of the Issuer or the banking group of which the Issuer is the parent company (the **Group**) registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as subsequently amended and supplemented, under number 5116 (a **Regulatory Event**) and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date, subject to further conditions, as more fully described in Condition 5.4 (*Redemption for Regulatory Reasons (Regulatory Call)*). The Issuer may also, at its option (subject to the approval of the Competent Authority), redeem all the Notes, in whole but not in part, at any time at their principal amount together with interest accrued to but excluding the date fixed for redemption, for taxation reasons as further described in Condition 5.2 (*Redemption for Taxation Reasons*).

This information memorandum dated 10 September 2026 (the **Information Memorandum**) comprises admission document for the purposes of the application to the Access Milan Professional (the **Access Milan**), the Professional Segment of the Euronext Access market (formerly ExtraMOT), a multilateral trading facility organised and managed by Borsa Italiana S.p.A. (**Borsa Italiana**) and application has been made to Borsa Italiana for the Notes to be admitted to trading on the Access Milan, in accordance with the relevant rules. Access Milan is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). References in this Information Memorandum to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on Access Milan. As of the date of this Information Memorandum, the Notes are not listed or admitted to trading on any other regulated market or multilateral trading facility, or equivalent, Italian or foreign, nor does the Issuer currently plan to apply for admission to listing or admitted to trading of the Notes on any other regulated market or multilateral trading facility other than the Euronext Access Market.

The Notes are not rated on the Issue Date and are not expected to be rated after the Issue Date.

This Information Memorandum does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and no prospectus is required in connection with the issuance of the Notes, in accordance with Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act and Article 34-ter of the CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (the **Regulation 11971/1999**). The publication of this document has therefore not been authorised by CONSOB pursuant to the Prospectus Regulation or any other rule or regulation on the drafting and publication of prospectuses pursuant to the Financial Services Act and the Regulation 11971/1999.

Neither this Information Memorandum nor the transaction described herein constitutes an offer to the public of financial instruments nor an admission of financial instruments to a regulated market as defined by the Financial Services Act and the Regulation 11971/1999.

The English language is the language used by the Issuer for the purposes of this Information Memorandum, as well as the language that will be used for all documents and information made available and/or to be made available to investors and for any other document and information required by applicable laws, including secondary laws, by the Terms and Conditions of the Notes and by the Euronext Access Market rules adopted by Borsa Italiana on 11 September 2023, as amended from time to time (the Euronext Access Market Rules).

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE NOTES MAY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT.

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD ENSURE THAT THEY UNDERSTAND THE NATURE OF THE NOTES AND THE EXTENT OF THEIR EXPOSURE TO RISKS AND THAT THEY CONSIDER THE SUITABILITY OF THE NOTES AS AN INVESTMENT IN LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL CONDITION. FOR A DISCUSSION OF THESE RISKS SEE "*RISK FACTORS*" BELOW. THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO "RETAIL CLIENTS" (AS DEFINED IN IN POINT (11) OF ARTICLE 4(1) OF THE MIFID II) IN THE EUROPEAN ECONOMIC AREA (*EEA*). THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO A PERSON WHO IS EITHER ONE OR BOTH OF (I) NOT A PROFESSIONAL CLIENT (AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2014/600 AS IT FORMS PART OF DOMESTIC LAWBY VIRTUE OF EUROPEAN UNION (WITHDRAWAL) ACT 2018) OR (II) NOT A QUALIFIED INVESTOR (AS

DEFINED IN PARAGRAPH 15 OF SCHEDULE 1 TO THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024) IN THE UNITED KINGDOM. POTENTIAL INVESTORS SHOULD READ THE WHOLE OF THIS DOCUMENT, IN PARTICULAR THE SECTION "*RISK FACTORS*" BELOW.

10 September 2026

This Information Memorandum has not been reviewed, examined nor approved by CONSOB and Borsa Italiana.

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with the facts and this Information Memorandum does not omit anything likely to affect the import of such information. The Issuer declares that this Information Memorandum has been adequately reviewed by it as to the completeness, consistency and comprehensibility of the information included therein.

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Information Memorandum shall be read and constructed on the basis that such documents are incorporated and form part of this Information Memorandum.

This Information Memorandum contains or incorporates by reference industry and customer-related data as well as calculations taken from industry reports, market research reports, publicly available information and commercial publications. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Issuer is aware and is able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

Commercial publications generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed, and that the calculations contained therein are based on a series of assumptions. External data have not been independently verified by the Issuer.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Information Memorandum nor any other information supplied in connection with the Notes (A) is intended to provide the basis of any credit or other evaluation or (B) should be considered as a recommendation by the Issuer or by any other member of the Group that any recipient of this Information Memorandum or any other information supplied by the Issuer or such other information as is in the public domain in connection with the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither this Information Memorandum nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or by any other member of the Group to any person to subscribe for or to purchase the Notes.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, *inter alia*, the documents incorporated by reference to this Information Memorandum when deciding whether or not to purchase the Notes. Neither the delivery of this Information Memorandum nor the offering, sale or delivery of the Notes shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Information Memorandum.

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this Information Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit a public offering of the Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or the Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in the United States, the United Kingdom, the EEA and the Republic of Italy.

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 **MiFID II**; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of 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.

Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 2014/600 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulation 2024.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in 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 manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to the Notes.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Notes.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the financial information in this Information Memorandum relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2025 and from the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2024 (together, the **Financial Statements**).

The Issuer’s financial year ends on 31 December, and references in this Information Memorandum to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union (**IFRS**).

SUITABILITY OF 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:

a. 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 Information Memorandum;

b. 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;

c. has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

d. understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

e. 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.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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 (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TABLE OF CONTENTS

RISK FACTORS

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

The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered material risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The risks that are specific to the Issuer are presented in three 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.

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

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

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES

Risk Factors Relating to the Issuer

The risks below have been classified into the following categories:

Risks related to the political, environmental, social and governance environment of the Issuer;

Risks relating to the Issuer's financial position, business activity and industry;

Risks related to the internal control of the Issuer.

Risks related to the political, environmental, social and governance environment of the Issuer

Risks relating to the impact of current macro-economic conditions on the Issuer

The Issuer's business is influenced by the macro-economic conditions, general trends in financial markets, the economic situation in Italy in particular, interest rate levels, exchange rates, changes in laws and regulations, shifts in central bank policies - particularly those of the Bank of Italy and the European Central Bank (ECB) - and competitive factors at regional, national and international levels. Each of these factors can affect the demand for the Issuer's products and services, the credit quality of borrowers and counterparties, the Issuer's interest margin between lending and funding costs, and the value of the Issuer's investment and trading portfolios. The Issuer operates mainly through a network of branches covering a large part of northern and central Italy, primarily serving households, professionals and small and medium-sized enterprises.

The Issuer's business is significantly affected by the macro-economic conditions in Europe and in other parts of the world, as well as the geopolitical tensions and/or financial market volatility; therefore, the future development in the macro-economic context and any negative variations of the factors described hereafter may restrict the global economic outlook, with a corresponding adverse effect on the Issuer's business, results of operations and financial condition.

The current international macroeconomic environment and the economic trends are characterised by significant uncertainty related to: (i) the protectionist measures by the US administration, including the implementation and escalation of tariffs on imports from key trading partners, which continue to generate significant uncertainty and volatility in global markets, particularly affecting trade relations with the EU and China; (ii) the ongoing conflict between Russia and Ukraine, along with the instability in the Middle East, as well as the persistent tension between China and Taiwan, which could have a potential impact on the global economy; (iii) the fragmentation of international trade and the repositioning of industrial and technological policies on a global scale; (iv) the persistence of inflation; and (v) the sustainability of the sovereign debt of certain countries, including Italy, and any related shocks to the financial markets.

The macroeconomic situation is especially characterized by high levels of uncertainty as a result of the persistence of the Russian-Ukrainian conflict and other ongoing conflicts in the Middle East (the "**Conflicts**"), as well as the escalation of trade tensions and protectionist measures at the global level. The hostilities in Ukraine and the sanctions imposed on Russia, the resulting trade restrictions, the disruptions to global supply chains and the increase in energy, and raw material prices in general, have negatively affected markets and businesses worldwide. In addition, any eventual closure of the Strait of Hormuz may lead to disruption of the global supply chain, including in oil and gas, which could potentially destabilize global economies and whose outcome and effect it may have are still uncertain.

As additional escalation of the Conflicts cannot be excluded, the global economy continues to be affected by high uncertainty, which continues to impact the volatility of commodity prices and dampens production activity and international trade.

The protraction, and potential further escalation, of the Conflicts could result in elevated and extended periods of geopolitical instability and could have a significant adverse impact on the regional and global economic environment and, accordingly, on the Issuer's business, results of operation and financial condition.

More in general, the uncertainty related to the evolution of the macroeconomic scenario could impact the Issuer's business (as well as the banking sector overall), affecting results of operations and financial conditions as well as capital and liquidity levels over time, thereby resulting in the higher provisioning of credit exposures, lower evaluation of financial securities and a lower level of collateralisation on the liquidity side.

The profitability, capacity and solvency of the Issuer are also affected by certain external factors, such as the level and volatility of short-term and long-term interest rates and the liquidity of the financial markets.

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

Risks related to Sanctioned Countries

The Issuer has clients and partners who are located in various countries around the world and/or who are active players in markets on a global basis. Some of the countries or territories in which such customers and partners are located and/or otherwise operate are, or may become, subject to comprehensive sanctions adopted by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other agency of the U.S. government, the United Nations, the European Union, the Swiss Seco, or His Majesty's Treasury of the United Kingdom, generally prohibiting all direct or indirect dealings with such countries or territories ("**Sanctioned Countries**").

The Issuer has consistently adopted stringent sanctions compliance procedures to meet its obligations under the laws and regulations that apply to its operations and to ensure that violations of sanctions laws and regulations do not occur.

The revenues generated by the Issuer from business related to Sanctioned Countries currently represent a very small portion (far less than 1%) of the Issuer's total revenues. The Issuer does not maintain any physical presence in the Sanctioned Countries.

As of the date of this Information Memorandum, the Issuer maintains, on a residual basis compared to its overall business, commercial relationships with some counterparties located in the Sanctioned Countries or related to the same Sanctioned Countries. Such commercial transactions have all been, and are, carried out in full compliance with sanctions laws and regulations as applicable to the Issuer and are not believed to have caused any person or entity to violate any sanctions, nor they are expected to result in the Issuer becoming the subject of sanctions.

However, should the relevant sanctions be strengthened and/or should new sanctions be adopted, there may be prejudicial effects on these operations as well as on the reputation of the Issuer. This, in turn, could result in negative effects on the capital, financial and economic situation of the Issuer.

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

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

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

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

<u>Risks relating to the Issuer's financial position, business activity and industry</u>

Credit risk and risk of credit quality deterioration

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

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

The Issuer's credit portfolio is comprised of loans to corporates (with a focus on SMEs), retail customers and households. The business model adopted by the Issuer is essentially based on loan intermediation activities and is aimed at supporting families and the manufacturing sector in its areas of operations, with lending activity primarily directed at retail, small business and SME segments.

In addition, since the Issuer is active in the acquisition and trading of tax credits, with specific reference to such activity, in addition to sovereign risk, the risk of recourse should also be considered. This refers to the risk that, in contractually defined circumstances (e.g. in the event of a dispute or non-existence of the credit), the assignee may be unable to exercise recourse against the assignor if the latter is insolvent. Such tax credits are classified as financial assets mainly measured at fair value through profit or loss (FVTPL). Such risk, which is linked not only to the assessment of the assignor but also to the documentation made available by the assignor to enable the Issuer to verify the existence of the tax credit, could negatively affect the credit quality and the financial position of the Issuer. Nonetheless, the Issuer has adopted specific policies and implemented controls and operating procedures for monitoring and managing such type of risk.

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

Credit risk of the Issuer mainly results from its lending activity, including the loan portfolios originated over time through organic growth and past acquisition transactions (including, *inter alia*, the incorporation of Cassa Rurale di Storo, the merger with Credito Veronese and the acquisition of branches from Hypo Alpe Adria Bank). For more information about these transactions, please refer to section headed "*Description of the Issuer*".

With reference to the credit quality, the Issuer's classification of impaired credit follows the definition of "default" under the European Regulation on prudential requirements for credit institutions and investment firms (article 178 of Regulation (EU) No. 575/2013 of the European Parliament and the European Council on 26 June 2013). The Issuer measures credit risk for regulatory purposes by applying the standard methodology, consistent with the provisions contained in the Circular of Bank of Italy No. 285 of 17 December 2013, as amended from time to time by the Bank of Italy ("**Circular No. 285**").

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

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

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

Moreover, the Issuer has implemented various forms of credit risk mitigation, including government guarantees provided by the Italian Central Guarantee Fund ("**MCC**") and SACE, which cover a significant portion of credit exposures. In the event that MCC or SACE were to contest the enforceability of guarantees given in relation to certain loans – including on the grounds of non-compliance with the terms and conditions of such guarantees or with applicable laws and regulations – the Issuer would be required to bear the credit risk in full, which could have an adverse effect on its business, results of operations and financial condition.

Interest rate and price risks

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

The Issuer monitors interest rate risk in accordance with Delegated Regulations (EU) 2024/856 and 2024/857 and EBA Guidelines EBA/GL/2022/14. In particular, the banking book's exposure to interest rate risk is monitored by the "Risk Management" function, which assesses the Bank's sensitivity to interest rate risk on a quarterly basis in terms of the impact of a fluctuation in interest rates on the economic value of the portfolio and net interest income. In 2025, the Issuer maintained the risk indicator at a level below the attention thresholds set by the regulatory framework.

The Issuer's loan portfolio includes a mix of variable-rate and fixed-rate loans. The Issuer's credit policies are based on the principle of diversification and fragmentation of loans, favouring forms backed by collateral guarantees, in order to mitigate the overall credit risk.

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

Liquidity risks

Liquidity risk refers to the possibility that an issuer may be unable to meet its current and future, anticipated and unforeseen, cash payment and delivery obligations without impairing its day-to-day operations or financial position, due to its inability to raise financial resources at market costs (funding liquidity risk) or to the difficulty to disinvest its own assets without incurring capital losses (market liquidity risk). This occurs when internal (specific crisis) or external (macroeconomic conditions) events result in the Issuer having to deal with a sudden reduction of available liquidity or with a sudden need to increase the funding.

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

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

The Issuer can also be exposed to liquidity outflows related to issued guarantees, or regulatory constraints.

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

The Issuer is subject to compliance with Basel III liquidity requirements, such as the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"). As at 31 December 2025, the Issuer's LCR and NSFR were well above the minimum level required under applicable laws and regulations (respectively, 221,8% and 140%), and as at 31 December 2025 the consolidated LCR and NSFR were, respectively, 221,84% and 138,28%.

Notwithstanding the current levels of the LCR, NSFR and leverage ratio, negative market conditions and a downturn in the general economic context and/or credit merit of the Issuer, as well as any unfavourable change in the ECB's financing policies, could entail the need to adjust the Issuer's liquidity situation to the regulatory requirements introduced from time to time in accordance with European legislation.

The Issuer has adopted and implemented procedures aimed at ensuring effective and active liquidity management and systematic control of its liquidity position and of its portfolio. Moreover, the Issuer has also put in place a dynamic operating liquidity management procedure that allows correct and timely management of its daily liquidity level.

In particular, the Bank's funding policy for its activities is based on a diversified mix, combining direct deposits from retail customers (deposits, current accounts, time deposits and bonds) with institutional funding channels, including ECB short-term financing facilities and repurchase agreements with other banks.

Moreover, liquidity risk is controlled through a specific adequacy assessment process, counterbalancing capacity management and a "Contingency Funding Plan," designed to manage potential liquidity stresses.

However, there can be no certainty that the abovementioned instruments are adequate or any assurance that any negative development in the conditions of the markets, in the general economic environment and/or in the Issuer's credit standing may not affect the Issuer's ability to meet its current and future payment commitments and this could have a material adverse effect on the Issuer's results of operations, financial condition and ability to meet payment obligations under the Notes.

Risks related to sovereign ratings

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

Any downgrade of the Italian sovereign credit rating, or the perception that such a downgrade may occur, may destabilise the markets and have an adverse effect on the Issuer's operating results, capital and liquidity position, financial condition and prospects, as well as on the marketability of the Notes. Moreover, a downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur would be likely to have a material effect in depressing consumer confidence, restricting the availability and increasing the cost of funding for individuals and companies, depressing economic activity, increasing unemployment, reducing asset prices and consequently increasing the risk of a recession. If sentiment towards the banks and/or other financial institutions operating in Italy were to deteriorate materially, this may have an adverse impact on the Issuer. In addition, such change in sentiment could result in an increase in the costs and a reduction in the availability of wholesale market funding across the financial sector which could have an adverse effect on the liquidity funding and value of the assets of all Italian financial services institutions, including the Issuer.

The Issuer may be unable to maintain capital adequacy requirements and/or liquidity minimum requirements

The rules on capital adequacy for banks define the prudential minimum capital requirements, the quality of capital resources, and risk mitigation instruments. Such rules are complex and evolve regularly. In addition, the Bank of Italy can impose on the Issuer, as permitted by such rules, additional requirements with respect to its capital, which may restrict the Issuer's operational flexibility and may, should it fail to meet such requirements, require the Issuer to adopt additional measures imposed by the ECB, the Bank of Italy or other regulators.

In this respect, the Bank of Italy communicated to the Issuer, on 6 March 2025, the minimum capital ratios to be complied with by the Bank on an ongoing basis, based on the outcome of the annual SREP. The SREP is aimed at ensuring that institutions have adequate arrangements, strategies, processes and mechanisms in place to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. Based on the outcome of the annual SREP process, the Bank must comply with the following minimum capital ratios (Overall Capital Requirements – OCR), each of which includes the capital conservation buffer component:

(i) 8.10 % in relation to the Common Equity Tier 1 ratio; (ii) 10.0% in relation to the Tier 1 Ratio; and (iii) 12.5 % in relation to the Total Capital Ratio.

In addition, a Pillar 2 Guidance (P2G) of 1.00% has been set as an increment to all the above ratios. To the total resulting coefficients (CET1 9.10%, Tier1 11.00%, and Total Capital Ratio 13.50%), the systemic risk buffer and countercyclical buffer components must also be added, quantified as at 31 December 2025 at a coefficient of 0.82%.

The Bank already complied with these prudential ratios as at 31 December 2025, with solvency consolidated ratios (fully phased) as follows: CET1 ratio and Tier 1 Ratio of 14.40% and a Total Capital ratio of 16.96%. As at 30 June 2026 the CET1 ratio and Tier 1 ratio amounted to 14.3%, and the Total Capital ratio to 17.1%.

For more information about the capital adequacy requirements applicable to the Issuer see the paragraph headed "*Risks related to the development and change in banking sector regulation and accounting standard framework*" below.

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

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

It cannot be excluded that, in the future, the Issuer may be required, also in light of external factors and unforeseeable events outside of its control and/ or the fully transposition and implementation of the CRD VI and the CRR III (as defined below) and/or after further requests by the supervisory authority, to undertake capital enhancement interventions; also, the Issuer may not be able to achieve in the prescribed timeframes and/or maintain (both at individual and consolidated level) the minimum capital requirements required by the legislation in force from time to time or established from time to time by the supervisory authority, thereby potentially causing a material negative impact on the business and capital, economic and financial condition of the Issuer. For more information on the impact of changes in regulatory framework, please refer to paragraph headed "*Risks related to the development and change in banking sector regulation and accounting standard framework*" below.

Risks related to deferred tax assets

Deferred Tax Assets ("**DTA**"), probability of recovery is based on reasonable income forecasts that can be inferred from strategic and forward-looking plans approved by the Board of Directors, also taking into account that, for IRES purposes, the legislation provides for the carrying forward of tax losses without any time limit. Therefore, adverse changes in income forecasts could result in DTA write-off for irrecoverability. Although it does not define a time period within which to evaluate the recoverability of the DTAs, the accounting standard IAS 12, for which ESMA provided specific guidelines on 15 July 2019, specifies that the longer the forecast on future income extends, the greater the unforeseen events and circumstances, beyond the company's control, which will impact the reliability of the forecasts on future taxable income. On this point, ESMA therefore recommends the production of a specific and detailed disclosure within the financial statement document reporting the greatest possible level of detail in relation to the significance of the DTAs and the estimates used with regard to their recognition.

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

Risks related to litigation and legal and tax proceedings and inspections by regulatory authorities

The Issuer may be involved in disputes and litigation with European authorities, public authorities, supervisory authorities, tax authorities, competitors, employees, customers and other parties.

The Issuer's 2025 Annual Financial Statements include provisions for risks and charges and such accounting provisions (*accantonamenti*) are determined according to the estimated risk of a negative outcome of the relevant proceedings, based on the Issuer or the relevant members of the Issuer's assessment in accordance with applicable law, regulatory provisions and the Issuer's policies and procedures. A provision is recognised only when the Issuer has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount of any such accounting provision, if any, is then determined as the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

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

Furthermore, while carrying out their ordinary business, the Issuer is subject to inspections by the supervisory authorities that may give rise to requests for organisational interventions and enhancement of safeguards or strengthening of internal functions aimed at remedying any deficiencies found during inspections. The results of such inspections may lead to sanctions proceedings against the relevant company's representatives and employees and, as a consequence thereof, compensatory requests, fines imposed by supervisory authorities, other sanctions and/or reputational damage, which may have negative effects on operations, financial and capital position and economic results of the Issuer. Furthermore, it cannot be excluded the possibility that, following any future evaluations or inspections by the supervisory authority, the Issuer may have to put into place further measures in order to respond to any imposed requirements, or that the measures requested by the relevant supervisory authority and implemented could later reveal themselves to not be fully effective over a period of time, or that actions taken and responses provided by the Issuer to compliance findings may not be deemed sufficient, which may request additional actions or measures on the part of the Issuer. As a consequence, should the Issuer be forced to implement new initiatives, or should initiatives be insufficient to cure any deficiencies, it could have a material adverse effect on its business, results of operations and financial condition. In this respect, the Issuer was subject to a general inspection in 2022 and an inspection focused on transparency in 2023, both conducted by the Bank of Italy. Following such inspections, the Issuer identified and implemented remedial measures to address the findings, and as of the date of this Information Memorandum the remedial action plan has been fully implemented, as also confirmed by the Internal Audit function, and the Issuer is not subject to any ongoing inspection by any supervisory authority.

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

Risks relating to non-compliance with laws and regulations and inspections carried out by supervisory authorities

The Issuer, to the extent that it exercises the banking activity, is subject to regulation and to indirect supervision by the ECB (within the framework of the Single Supervisory Mechanism), and the specific supervision by the Bank of Italy and CONSOB; furthermore, the Issuer is also subject to regulation and specific supervision of other national authorities, competent for specific regulations.

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

The Issuer was subject to a general inspection in 2022 and an inspection focused on transparency in 2023, following which the Issuer identified and implemented remedial measures to address the findings, as described above in "*Risks related to litigation and legal and tax proceedings and inspections by regulatory authorities".* As of the date of this Information Memorandum the Issuer is not subject to any ongoing inspection by any supervisory authority. The Issuer provides frequent and regular information to the supervisory authorities on its strategic, business and operational activities, and has adopted measures to address any findings resulting from supervisory inspections.

Moreover, the Issuer may find itself in the future, also in light of external factors and unforeseeable events outside of its control, having to acknowledge failed compliance with qualitative requirements, with the consequent need to comply with further requests of the supervisory authorities as well as the failure to comply with quantitative requirements set by such authorities. In such circumstances, the Bank of Italy may adopt supervisory measures affecting the Issuer's operations or management, or initiate sanctioning proceedings that could result in financial penalties being imposed on the Issuer and/or its officers.

The Issuer provides frequent and regular information to the supervisory authorities on its strategic, business and operational activities; at the date of this Information Memorandum the Issuer is not subject to any investigation by the supervisory authorities.

Risks relating to the Business Plan

In March 2025, the Board of Directors of the Issuer approved the current strategic plan for the period 2025-2027 (the **"Strategic Plan"**), subsequently updated in December 2025 with economic, financial and capital projections extended to 2028.

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

Risks relating to competition in the banking and financial sector

The Issuer operates in a competitive market context and is accordingly exposed to risks deriving from the competitive pressure of the market. Those risks are connected in particular to: (i) the implementation of EU directives and regulations aimed at strengthening and harmonising the EU banking sector; (ii) the evolution of customer needs; (iii) the dissemination of technological innovations also introduced by fintech companies; and (iv) new incumbent players.

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

Risks related to the development and change in banking sector regulation and accounting standard framework

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

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

Furthermore, any change in the laws or regulations of the European Union and/or Italy or the application thereof may in certain circumstances result in the Issuer having the option to redeem the Notes in whole and in certain circumstances in part. In any such case, the Notes (or part thereof) would cease to be outstanding, which could materially and adversely affect investors and frustrate investment strategies and goals.

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

Basel III and the CRD IV Package

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

The Basel III framework has been implemented in the European Union through new banking requirements: Directive 2013/36/EU of the European Parliament and the European Council on 26 June 2013 which relates to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV**"), and Regulation (EU) No. 575/2013 of the European Parliament and the European Council on 26 June 2013 which relates to prudential requirements for credit institution and investment firms (the "**CRR**" and together with the CRD IV, the "**CRD IV Package**"), subsequently updated and supplemented, *inter alia*, with the Directive (EU) 2019/878 (the "**CRD V**") and Regulation (EU) 2019/876 (the "**CRR II**" and, together with the CRD V, the "**EU Banking Reform Package**").

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

On 13 April 2017, the ECB published a guideline and a recommendation, subsequently amended in March 2022 and July 2025, addressed to national Competent Authorities ("**NCAs"**) concerning the exercise of options and national discretions available in European Union law that affect banks (as the Issuer) which are directly supervised by NCAs (*i.e.,* less significant institutions). The aim of the guideline is to ensure a level playing field and the smooth functioning of the euro area banking system as a whole. Depending on the manner in which options/discretions are exercised by NCAs and the SSM, additional/lower capital requirements may result.

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

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

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

Capital Requirements

According to Article 92 of the CRR, institutions shall at all times satisfy the following own funds requirements: (i) a Common Equity Tier 1 ("**CET1**") Capital ratio of 4.5%; (ii) a Tier 1 Capital ratio of 6%; (iii) a Total Capital ratio of 8%; and (iv) a leverage ratio of 3%. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital, reported below as applicable with reference to September 2025:

- *Capital conservation buffer*: set at 2.5% from 1 January 2019 (pursuant to article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285);
- *Counter-cyclical capital buffer* ("**CcyB**"): set by the relevant Competent Authority between 0% - 2.5% of credit risk exposures towards counterparties each of the home Member State, other Member States and third countries (but may be set higher than 2.5% where the Competent Authority considers that the conditions in the Member State justify this), with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV and Part I, Title II, Chapter I, Section III of Circular No. 285). The Bank of Italy has set, and decided to maintain, the CcyB (relating to exposures towards Italian counterparties) at 0% for the second quarter of 2026;
- *Capital buffers for globally systemically important institutions* ("**G-SIIs**"): set as an additional buffer requirement varying depending on the sub-categories on which the G-SIIs are divided into. The lowest sub-category shall be assigned a G-SII buffer of 1 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR, as amended by CRR II, and the buffer assigned to each sub-category shall increase in gradients of at least 0.5 % of the total risk exposure amount; and
- *Capital buffers for other systemically important institutions at domestic level* ("**O-SIIs**"): up to 3.0% as set by the relevant Competent Authority (and must be reviewed at least annually), to compensate for the higher risk that such banks represent to the domestic financial system (Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285).

The Issuer has not been identified as either global systemically important institution (G-SII) or other systemically important institution (O-SII). Thus, capital buffers for G-SIIs or O-SIIs do not apply to the Issuer.

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

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

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

Following a public consultation procedure, on 26 April 2024, the Bank of Italy decided to apply a SyRB of 1.0 per cent (fully operational), of exposures towards Italian residents weighted for credit and counterparty credit risk. The SyRB applies to all banks and banking group authorised in Italy, thus including the Issuer. The SyRB is to be applied at the highest level of consolidation for banking group. On 24 April 2026, following the launch of a public consultation, the Bank of Italy confirmed the previous 1.0% buffer level for the next two years (i.e. until 2028).

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

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

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

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

Following the results of the SREP performed by the Bank of Italy and notified to the Issuer on 6 March 2025, the Issuer is required to meet on an individual basis both a minimum CET1 Ratio of 8.10%, a minimum Tier1 Ratio of 10.0% and a minimum Total Capital Ratio of 12.5 % inclusive of Pillar 2 requirement (P2R). In addition, the Pillar 2 guidance (which is equal to 1.00% for the Issuer) is a bank-specific recommendation that indicates the level of capital the ECB expects banks to maintain in addition to their binding capital requirements to ensure they can absorb potential losses resulting from adverse scenarios. The Pillar 2 guidance is set as part of the Supervisory Review and Evaluation Process. Unlike the Pillar 2 requirement, it is not legally binding and does not result in automatic restrictions.

On 28 May 2024, the ECB announced to the market that its Supervisory Board took the decision to reform the SREP. In particular, the SREP will be adapted to increase efficiency and effectiveness, building on and going beyond changes that have been implemented in recent years, such as a new risk tolerance framework. Although the Supervisory Board's intention is to maintain a full compliance of the revised SREP framework with the EBA guidelines, as at the date of this Information Memorandum, there is still legal uncertainty as to the impact the changes the ECB is about to introduce to the SREP methodology may have on the Issuer prudential capital structure in terms of capital prudential requirements and buffers the Issuer will be required to meet at an individual and / or consolidated basis.

In this context, on 24 October 2025, EBA launched a public consultation (EBA/CP/2025/21) on its revised Guidelines on common procedures and methodologies for the SREP and supervisory stress testing. The consultation closed on 6 February 2026. Following the consultation, on 26 June 2026, the EBA published its final revised Guidelines, which consolidate the existing SREP Guidelines (EBA/GL/2022/03) and the standalone Guidelines on ICT risk assessment (EBA/GL/2017/05) into a single comprehensive framework, while also incorporating the new CRD VI mandates on output floor and third-country branches, align with the interest rate risks for banking book (IRRBB) and credit spread risk arising from non-trading book activities (CSRBB) package, integrating ESG factors and operational resilience.

Upon entry into force, the revised Guidelines will repeal and replace EBA/GL/2022/03 and EBA/GL/2017/05. The revised Guidelines will apply from 1 January 2027. The CRD IV Package also introduced the liquidity coverage ratio (LCR). This is a stress liquidity measure based on modelled 30-day outflows. Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing the CRR with regard to liquidity coverage requirement for credit institutions (the "**LCR Delegated Act**") was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. On 20 May 2022, amendments to the LCR Delegated Act were published in the Official Journal (Commission Delegated Regulation (EU) 2022/786 of 10 February 2022) and has applied as of July 2022. Most of these amendments has been introduced to better allow the credit institutions issuing covered bonds to comply, on one hand, with the general liquidity coverage requirement for a 30-calendar day stress period and, on the other hand, with the cover pool liquidity buffer requirement, as laid down by Directive (EU) 2019/2162 of the European Parliament and of the Council. Most of these amendments are related to the entry into force of the new securitisation framework on 1 January 2019. The net stable funding ratio ("**NSFR**") is part of the Basel III framework and aims to promote resilience over a longer time horizon (1 year) by creating incentives for banks to fund their activities with more stable sources of funding on an on-going basis. The NSFR has been introduced as a requirement in the CRR II published in June 2019 and is applicable from June 2021.

In addition to the above, EBA published – on 14 May 2025 – an updated report on the monitoring of the LCR and the NSFR complementing the three previous monitoring reports on the implementation of the LCR and NSFR, published in July 2019, March 2021, and June 2023. The aim of these reports is to foster a higher degree of harmonization in the implementation of the LCR, especially in areas where divergent practices have been observed, partly due to insufficient clarity of the regulatory provisions. The reports also provide guidance to supervisors and institutions on specific areas such as outflows applied to certain categories of deposits.

In addition, on 10 December 2025, the European Central Bank adopted Guideline (EU) 2025/2595 on the supervisory approach to be followed by national competent authorities in relation to the coverage of non-performing exposures held by less significant supervised entities (the "**LSI NPE Coverage Guideline**"), which extends, to less significant institutions the supervisory coverage expectations for non-performing exposures previously applied to significant institutions. Pursuant to the LSI NPE Coverage Guideline, national competent authorities shall assess, as part of the SREP, the adequacy of the coverage of non-performing exposures of less significant institutions and may, where coverage is deemed insufficient, apply supervisory measures under Article 104 of the CRD, including the imposition of additional own funds or specific provisioning requirements.

The LSI NPE Coverage Guideline contemplates a phase-in period, with transitional adjustment factors applying from 31 December 2025 through 31 December 2027. As at the date of this Information Memorandum, there is uncertainty as to the manner and timing of its implementation by the Bank of Italy and as to the extent to which the progressive alignment of the Issuer's provisioning policies for non-performing exposures to the supervisory expectations set out therein may result in additional capital or provisioning requirements being imposed on the Issuer in the context of future SREP cycles.

The CRD IV Package also introduced a new leverage ratio with the aim of restricting the level of leverage that an institution can take on to ensure that its assets are in line with its capital. The Leverage Ratio Delegated Regulation (EU) 2015/62 was adopted on 10 October 2014 and was published in the Official Journal of the European Union in January 2015, amending the calculation of the Leverage Ratio compared to the current text of the CRD IV Regulation. The CRR II and the CRD V introduced a binding leverage ratio requirement of 3%. Tier 1 Capital which is designed to prevent institutions from excessively increasing leverage.

On 27 October 2021, the European Commission published the 2021 Reform Package, which was intended, among other things, to adopt a review of EU banking rules (the CRR and the CRD). The EU Banking Reform Package included the introduction of: (i) an output floor for internal model-based calculations of own fund requirements; (ii) the introduction of specific rules for the management of Environmental Social Governance ("**ESG**") risks in accordance with the EU sustainable finance strategy; and (iii) the expansion and revision of supervisory powers under the CRD V. Such new requirements have been brought in under Regulation (EU) 2024/1623 (amending CRR, the "**CRR III**") and Directive (EU) 2024/1619 (amending CRD IV Directive the "**CRD VI**"). The 2021 Reform Package faithfully implements the final set of amendments to the Basel III framework – that was reached by the EU and its G20 partners in the Basel Committee on Banking Supervision to make banks more resilient to possible economic shocks – while taking into account the specific features of the EU's banking sector.

The final texts of CRR III and CRD VI, implementing the final set of amendments to the Basel III standards and part of the 2021 Banking Reform Package, have been published in the Official Journal of the European Union on 19 June 2024 and have entered into force on 9 July 2024. The provisions set forth in the CRR III apply from 1 January 2025 while Member States were required to adopt any acts and regulations implementing the CRD VI by 10 January 2026 (with some exceptions) and apply such acts and regulations starting from 11 January 2026.

On 27 August 2025, the Bank of Italy issued the 50th amendment to Circular No. 285, which came into force on 28 August 2025, implementing CRR III into the Italian regulatory framework. Furthermore, on 8 January 2026, Legislative Decree no. 208 of 31 December 2025 was published in the Official Gazette, transposing the CRD VI into the Italian regulatory framework and aligning the Italian legislation to the provisions of the CRR III by amending the Italian Consolidated Banking Act and Legislative Decree No. 58 of 24 February 1998.

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

Moreover, changes in the regulatory framework and prudential capital requirements and how new regulations will be transposed into the national legal/regulatory framework and/or applied/interpreted by the supervisory authorities may, in certain circumstances result in the Issuer having the option to redeem the Notes in whole and in certain circumstances in part. In any such case, the Notes (or part thereof) would cease to be outstanding, which could materially and adversely affect investors and frustrate investment strategies and goals. Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

ECB Single Supervisory Mechanism

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

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

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

BRRD and SRMR

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

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

The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) or in combination with other resolution tools where the relevant resolution authority considers that: (a) a relevant entity is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe; and (c) a resolution action is in the public interest; these are: (i) sale of business - which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity and/or to convert certain unsecured debt claims (including the Notes) into shares or other instruments of ownership (*i.e.* other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"). Such shares or other instruments of ownership could also be subject to any future application of the BRRD. The aim of the bail-in is to absorb losses and recapitalise the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimising losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings. In the context of the bail-in, losses may be transferred, following a priority order and net of the exclusions provided for by the regulations, to shareholders, holders of subordinated debt securities, holders of senior non preferred securities, holders of not subordinated and unsecured debt securities, other unsecured creditors and, finally, depositors for the portion exceeding the guaranteed portion, *i.e.* for the portion exceeding €100,000.00 per depositor.

Furthermore, if the conditions are met, the Authorities may request the use of the single resolution fund ("**SRF**") referred to in the SRMR, financed by contributions paid by banks.

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

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

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

The BRRD requires all EU Member States to create a national, prefunded resolution fund. The national resolution fund for Italy was created by the Bank of Italy on 18 November 2015 in accordance with Article 78 of Legislative Decree No. 180/2015 implementing the BRRD (the "**National Resolution Fund**") and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms, including the Issuer. In the Eurozone, the national resolution funds set up under the BRRD were complemented by the SRF, set up under the control of the Single Resolution Board ("**SRB**"), as of 1 January 2016 and the national resolution funds have been pooled together gradually. The SRF is intended to ensure the availability of funding support while a bank is resolved and will contribute to resolution if, and only after, at least 8% of the total liabilities (including own funds) of the bank have been subject to bail-in.

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

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

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

For the purposes of the application of any BRRD Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which: (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken); or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or, in certain circumstances, its group will no longer be viable unless the relevant capital instruments (such as the

Notes) are written-down or converted; or (iii) extraordinary public support is to be provided and without such support the appropriate authority determines that the institution and/or, as appropriate, its group, would no longer be viable.

The BRRD also introduced requirements for banks to maintain, at all times, a sufficient aggregate amount of own funds and eligible liabilities (the "**Minimum Requirement for Own Funds and Eligible Liabilities**" or "**MREL**") expressed as percentages of the total risk exposure amount (TREA) and the total exposure measure (TEM). 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.

As of the date of this Information Memorandum, the Issuer is not subject to binding MREL requirements at individual or consolidated basis.

As mentioned, the BRRD II has been implemented in Italy by 193 Decree, which provides for, among other measures:

- the determination of a minimum unit value for bonds and debt securities (Article 12-*ter* of the Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time (the "**Italian Banking Act**") issued by credit institutions and investment firms:
  - €200,000 for subordinated bonds and other subordinated securities; and
  - €150,000 for senior non preferred debt instruments ("*strumenti di debito chirografario di secondo livello*");
- the voidness of contracts entered into with non-professional investors (relating to investment services having as their object the instruments referred to in Article 12-*ter* of the Italian Banking Act issued after 1 December 2021 or equivalent instruments when issued by subjects having their registered office in a third country, under certain conditions) that do not respect the minimum unit value pursuant to Article 25-*quater* of the Legislative Decree No. 58 of 24 February 1998 ("**Financial Services Act**"); and
- the elimination of the ban on the placement of senior non preferred debt instruments with non-qualified investors (Article 5 of 193 Decree), subject to the abovementioned provisions.

In addition to the above, on 19 June 2024, the Council announced that it had agreed a negotiating mandate on the review of the Crisis Management and Deposits Insurance ("**CMDI**") framework. As part of the CMDI, Directive (EU) 2024/1174 ("**Daisy Chain Act**") was adopted – published in the Official Journal of the European Union on 22 April 2024 – introducing certain amendments to the BRRD and the SRMR aimed at outlining the conditions for the treatment of internal MREL. In this context, on 11 December 2025, Legislative Decree no. 185 of 4 December 2025 was published in the Official Gazette, transposing the Daisy Chain Act into the Italian regulatory framework and amending Legislative Decree no. 180 of 16 November 2015.

On 25 June 2025, the Council and the Parliament reached an agreement on the Commission proposal to review the CMDI package. The reform aimed at enhancing the ability of resolution authorities to manage the failure of small and medium sized banks by broadening the scope of resolution to include these banks when it serves the public interest. Such amendments enable more banks to undergo an orderly exit, such as a sale to another bank, rather than being liquidated, thereby minimising economic disruption in the event of bank failures. The reform also strengthens depositor protection across the European Union.

The CMDI package, comprising amendments to the BRRD, the SRMR and Directive 2014/49/EU ("**DGSD**"), was formally adopted by the Council on 5 March 2026 and by the European Parliament on 26 March 2026 and published in the Official Journal of the European Union on 20 April 2026. The new rules entered into force on 10 May 2026 (the twentieth day following their publication in the Official Journal of the European Union) and will apply, with certain exceptions, twenty-four months thereafter.

If all or part of the Notes were converted into ordinary shares of the Issuer, the Noteholders may, depending on the number of ordinary shares received as a result of such conversion and on the shareholding already held in the Issuer, exceed the threshold of 1% of the Issuer's share capital provided for under Article 30 of the Italian Consolidated Banking Act and Article 11 of the Issuer's by-laws. In such case, pursuant to Article 30 of the Italian Consolidated Banking Act, the Issuer, upon acknowledging that such threshold has been exceeded, will notify the relevant holder of the breach of such limit. The shares exceeding such limit must be disposed of within the timeframe to be indicated by the Bank of Italy pursuant to article 53, paragraph 3, of the Italian Legislative Decree no. 180 of 2015 and, if not complied with, the Bank of Italy may order the transformation of the Issuer in a non-cooperative company limited by shares (*società per azioni*).

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

Market risk

Market risk is considered the risk of incurring losses resulting from adverse changes in market factors affecting financial instruments (assets and liabilities) included in the portfolios "*Financial assets measured at fair value through profit or loss*" ("**FVTPL**") and "*Financial assets measured at fair value through other comprehensive income*" ("**FVOCI**") due to changes in interest rates, exchange rates, share price volatility, credit spreads, commodity prices (generic risk) and the Issuer's creditworthiness (specific risk).

The Issuer may make residual investments in the trading book with respect to which it makes use of the exemption for small transactions pertaining to the trading book under article 94 of CRR. Although not part of the trading book for regulatory purposes, the Issuer is also subject to risk of loss limited to investments in financial assets with a Held to Collect and Held to Collect and Sell business model that fail the SPPI (*solely payment of principal and interest*) test.

The Issuer is constantly oriented towards the daily balancing of foreign exchange positions, considering both spot and forward positions. Forward transactions are carried out in response to specific customer requests and without assuming risk positions and exchange rate risk is managed through operational limits.

Although the Issuer has adopted policies and implemented procedures for identifying, monitoring and managing such type of risk, there can be no certainty of the effectiveness of such strategies, therefore, the Issuer is exposed to market risk, which could have a material adverse effect on its results of operations, financial condition and ability to meet payment obligations under the Notes.

Risk deriving from climate change

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

(i) physical risk denotes the financial impact of climate change, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, *i.e.*, air, water and soil pollution, water stress, biodiversity loss and deforestation. Such risk can result directly, for example, in material damage or a decline in productivity. Physical risk could impact assets (e.g., properties damaged as a result of severe weather events) of the customers, potentially affecting, for example, assets granted as collateral in respect of the loans made available to them.

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

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

Specifically, the EBA published its Final Guidelines on the management of ESG risks on 9 January 2025, with a compliance deadline of 3 June 2025 and full application starting from 11 January 2026 (11 January 2027 for Small and non-complex institution, SNCI). These guidelines require banks to develop robust governance frameworks, transition plans, and scenario analyses to address risks arising from climate change, biodiversity loss, and other ESG factors.

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

The Issuer has begun to integrate climate and environmental risks into its risk management framework, in line with Bank of Italy's expectations on climate and environmental risks. The Issuer's risk appetite framework has been updated to include a dedicated ESG monitoring section, and ESG stress testing exercises have been incorporated within its ICAAP-ILAAP framework.

Moreover, since 2023, the Issuer has been implementing a multi-year ESG action plan overseen by a dedicated ESG Committee. In 2025, the Issuer conducted a double materiality analysis in accordance with the ESRS, identifying nine material climate-related risks mapped against the EBA's traditional risk categories, and has introduced initial concentration limits on ESG-sensitive credit exposures. The Issuer has also commenced the development of a transition plan, expected to be finalised in 2026, while the Strategic Plan includes a specific ESG strategic workstream across the Issuer's key operational areas.

Despite the Issuer having implemented the above mentioned measures, such measures may not be fully effective in mitigating its exposure to climate change, particularly where the Issuer fails to identify or anticipate risks relevant to it.

<u>Risks related to the geographical concentration of the Issuer's business</u>

The Issuer carries out nearly all of its activities in the Italian market, with no material exposure to foreign markets. Within Italy, the Issuer's activities and commercial presence are mainly concentrated in the northern and central regions. As a result, the Issuer's business, results of operations and financial condition are particularly sensitive to economic trends and regulatory developments affecting such areas and may be adversely impacted by regional downturns or adverse events affecting the Italian economy.

Risks related to M&A transactions

The Issuer may be exposed to risks arising from merger and acquisition ("**M&A**") transactions. Although the Issuer currently pursues a selective growth strategy, any future acquisitions, business combinations or strategic investments may entail operational, financial, legal and integration-related risks. In particular, the integration of acquired companies or businesses may require significant managerial and operational resources and may prove more complex, time-consuming or costly than expected. Difficulties may arise, *inter alia*, from the integration of IT systems, internal control frameworks, governance structures, personnel, funding profiles and risk management processes, as well as from the retention of clients and key employees. Furthermore, the Issuer may not be able to fully achieve the expected strategic benefits, synergies or financial returns associated with any acquisition transaction. The occurrence of any of the foregoing events could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Risks related to the internal control of the Issuer

Operational risk

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

This risk also comprises exposure to fines, warnings and sanctions as a result of measures taken by the supervisory authority or private transactions. Operational risk is one of the factors that can trigger the second level reputation risk. This is a current or prospective risk of a downturn in profits or capital due to the negative perception of the Issuer by its customers, counterparties, shareholders, employees, investors or regulators.

In addition, the Issuer continues to be exposed to heightened operational risks stemming from the post-pandemic digital transformation and the evolving geopolitical landscape. The widespread adoption of remote and hybrid working models, the intensification of digital banking and e-commerce, and the increasing reliance on cloud-based and third-party services have introduced new vulnerabilities. These include the proliferation of shadow IT environments, the use of unsecured personal devices and networks, and the growing sophistication of cyber threats.

The Issuer's systems and processes are designed to ensure that the operational risks associated with the Issuer's activities are monitored. In particular, the Issuer monitors operational risk through first-level controls performed by operational lines, second-level controls by the "Risk Management" function, and third-level controls by the Internal Audit function. The Issuer uses the standardized approach for calculating the capital requirement for operational risk.

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

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

Pursuant to Italian Legislative Decree No. 231 of 8 June 2001 (the "**231 Decree**"), the Issuer has in place an organisational, operational and control model (the "**OO Model**"). The OO Model is the set of operating rules and ethical standards adopted by the Issuer in light of the specific activities carried out, aimed at preventing the commission of offences contemplated by the 231 Decree. The latest update to the OO Model, as part of which the General Section was supplemented to take into account the Bank's role as parent company and the management and coordination activities exercised by it over its subsidiaries, was approved by the Board of Directors on 15 January 2025.

The supervisory body tasked with overseeing the functioning and compliance with the OO Model has been entrusted to the Issuer's Board of Statutory Auditors ("**231 Supervisory Body**"). The 231 Supervisory Body reports periodically to the Board of Directors on the implementation status of the OO Model and any need for updates. The Issuer has also adopted a whistleblowing system, accessible through a dedicated digital platform available on the Issuer's institutional website, ensuring the confidentiality and protection of the reporting party.

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

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

Risks associated with compliance with data protection regulation

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

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

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

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

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

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

The Issuer has adopted measures to ensure continuous monitoring of cyber-attacks, and it provides mandatory cybersecurity training for all employees, ensuring compliance with Bank of Italy Circular No. 285/2013, EBA guidelines on ICT risk management and Regulation (EU) 2022/2554 ("DORA"), which entered into force in January 2025.

RISKS RELATING TO THE NOTES

The following does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.

Terms defined in the Terms and Conditions of the Notes and not otherwise defined shall have the same meanings given to such terms in the Terms and Conditions of the Notes, except where the context otherwise requires.

Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision with respect to the Notes.

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

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

a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or in any relevant document;

b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

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

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

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

A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the market value of the Notes, and the impact of this investment on the potential investor's overall investment portfolio.

The Notes are subordinated obligations of the Issuer

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

In the event of incomplete payment of unsubordinated creditors in the event of a liquidation, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Notes (save as otherwise provided under applicable law from time to time).

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

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

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

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

Investors are advised that the Issuer is not currently under the direct supervision of the European Central Bank (**ECB**) and the Single Resolution Board. Nonetheless, the Issuer remains subject to the Bail-in Power as the Relevant Resolution Authority is the Bank of Italy.

Investors should note that by its acquisition of the Notes (both at issuance and on the secondary market), each holder of the Notes acknowledges, recognizes, accepts, agrees to be bound by and consents to the exercise of any Bail-in Power by a Relevant Resolution Authority which could result in the cancellation of all, or part, of the principal amount of, or interest on, the Notes and / or the conversion of all or part of the principal amount of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or any other person, including by means of a variation to the terms of the Notes, in any case to implement the exercise by a Relevant Resolution Authority of such Bail-in Power. Each holder of the Notes acknowledges, accepts and agrees that its rights as holder of the Notes are subject to, and will be modified, if necessary, so as to give effect to the exercise of that power by any Relevant Resolution Authority.

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

Investors should be aware that, in addition to the Bail-in Power, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Notes at the point of non-viability and before any other resolution action is taken, with losses absorbed in accordance with the priority of claims under normal insolvency proceedings (**Non-Viability Loss Absorption**). Any shares issued to holders of the Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

As a result, the Notes may be subject to a partial or full write-down or conversion to Common Equity Tier 1 instruments of the Issuer. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption may be applied to the Notes and, as a result, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption is applied to the Notes or that such Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion. In addition, on 30 November 2021, Legislative Decree No. 193 of 8 November 2021 (the **193 Decree**) implementing the BRRD II was published in the *Gazzetta Ufficiale* and entered into force on 1 December 2021. The 193 Decree introduced point c-*ter*) under Article 91 paragraph 1-*bis*) of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy (the **Italian Banking Act**) transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Banking Act provides for the following ranking:

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

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

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

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

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

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

Also, certain provisions of the BRRD have been recently amended and will require further implementation upon the expiry of the phase-in period. In particular, on 20 April 2026, the Crisis Management and Deposits Insurance package (**CMDI Reform**) was published in the Official Journal of the European Union. The CMDI Reforms consists of four legislative acts that would amend existing EU legislation: the BRRD, the Deposit Guarantee Scheme Directive (**DGSD**) and the SRM Regulation (as defined in the Terms and Conditions). New aspects of the framework include: (i) expanding the scope of resolution through a revision of the public interest assessment to include a regional impact so that more eurozone banks could be brought into the resolution framework, (ii) the use of deposit guarantee schemes to help banks, especially the small ones, to meet a key threshold for bearing losses of 8% of their own funds and liabilities, which then allows them to have access to the Single Resolution Fund, also funded by bank contributions, and help sell the problematic banks' assets and fund their exit from the market, (iii) amending the hierarchy of claims in insolvency and scrapping the "super-preference" of the Deposit Guarantee Schemes to put all deposits on equal pegging in an insolvency, but still above ordinary unsecured creditors with the aim of enabling the use of DGS funds in measures other than pay out of covered deposits without violating the least cost test.

Unless otherwise stated in the pieces of legislation of the CMDI Reform consists of, most of these provisions will become enforceable (and / or shall be transposed into national law) by 11 May 2028.

Once the CMDI Reform is fully implemented and transposed in the European Union, the regulatory changes brought by these pieces of legislation will impact on the entire banking system and consequently could determine changes in the capital calculation and capital requirements, which at the date of this Information Memorandum cannot be entirely quantified. These regulatory changes will impact on the entire banking system and could determine changes in the capital calculation and increase capital requirements. However, as of the date of this Information Memorandum, the CMDI Reform has not yet become enforceable nor has been transposed by the EU Member States, and it is not yet clear how and to what extent this legislative package may impact on the operations of the Issuer and / or the Group.

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

Waiver of set-off

In Condition 2 (*Status*) of the Terms and Conditions of the Notes, each holder of a Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction or otherwise, in respect of such Note.

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

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

There are no events of default under the Notes

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

Early redemption and purchase of the Notes may be restricted

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

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

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

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

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

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

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

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

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

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

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

Regulatory classification of the Notes

The intention of the Issuer is for the Notes to qualify on issue as “Tier 2 capital” for regulatory purposes. Although it is Issuer’s intention that the Notes qualify as “Tier 2 Capital”, there can be no representation that this is or will remain the case during the life of the Notes. Moreover, current regulatory practice by the Competent Authority does not require (or customarily provide) a confirmation prior to the issuance of Notes that the Notes will be treated as such.

If there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion from "Tier 2 Capital" and, in respect of any redemption of the Notes proposed to be made prior to the fifth anniversary of the Issue Date, both of the following conditions are met: (i) the Competent Authority considers such a change to be reasonably certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable by it as at the Issue Date, the Issuer will have the right to redeem the Notes in accordance with Condition 5.4 (*Redemption for regulatory reasons (Regulatory Call)*), subject to, *inter alia*, the prior approval of the relevant Competent Authority and in accordance with the then applicable

Relevant Regulations. There can be no assurance that holders of the Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes. In addition, the occurrence of such event could result in a decrease in the market price of the Notes.

The Notes are not covered by any collateral, personal guarantees by third parties nor by the Italian Inter-Bank Fund for the Protection of Deposits

The obligations in respect of the Notes are guaranteed solely by the assets of the Issuer and are not covered by any collateral, personal guarantees by third parties nor by the *Fondo Interbancario di Tutela dei Depositi* (Italian Inter-Bank Fund for the Protection of Deposits).

The Notes are subject to optional redemption by the Issuer

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

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

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

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

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

In particular, the Rate of Interest applicable to the Notes will be reset on the Reset Date. Such Rate of Interest will be determined two T2 Settlement Days before the Reset Date and as such is not pre-defined at the Issue Date; it may be different from the Initial Rate of Interest and may adversely affect the yield of the Notes and therefore the market value of an investment in the Notes.

Decisions at Noteholders' meetings bind all Noteholders

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

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

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

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

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

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

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

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

Change of law

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

No physical document of title issued in respect of the Notes issued in dematerialised form

The Notes will be issued in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Joint Regulation. In no circumstance would physical documents of title be issued in respect of the Notes. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer.

Taxation

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

Limitation on gross-up obligation under the Notes

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

Risks related to changes in the Italian fiscal law

Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 (**Law 111**), as amended from time to time, delegates power to the Italian Government to enact, within thirty-six months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the **Tax Reform**). According to Law 111, the Tax Reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage.

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

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

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

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

Reform of "benchmarks" such as EURIBOR

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

Regulation (EU) 2016/1011 (as amended) (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of in-scope benchmarks, the contribution of input data to an in-scope benchmark and the use of an in-scope benchmark within the EU. Among other things, it (i) requires in-scope benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of the laws of the United Kingdom (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on the Notes linked to or referencing a benchmark which is in-scope of one or both regulations, in particular if the methodology or other terms of the EURIBOR could be changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the EURIBOR.

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

On 19 May 2025, Regulation (EU) 2025/914 of 7 May 2025 amending the EU Benchmarks Regulation was published in the Official Journal of the European Union. The amending regulation introduces changes concerning, inter alia , the scope of the rules applicable to benchmarks, the use within the EU of benchmarks provided by administrators located in third countries, and certain reporting requirements. Regulation (EU) 2025/914 entered into force on 8 June 2025 and apply from 1 January 2026.

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

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

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

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

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

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to the Notes, since the rate of interest may be changed in ways which may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained.

Potential conflicts of interest

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

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

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

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

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

(a) movements in interest and market rates;

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

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

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

The secondary market generally

Although an application has been made for the Notes to be admitted to trading on the Access Milan Professional Segment of the Euronext Access Market, the Notes will have no established trading market when issued, and one may never develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. 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. Illiquidity may have a severely adverse effect on the market value of the Notes.

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

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

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

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

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

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

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

Delisting of the Notes

Application has been made for the Notes to be listed on the Professional Segment of the Access Milan Market Professional Segment of the Euronext Access Market, Qualified Investors segment. The 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.

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

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

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

Although no rating will be granted to the Notes as at the Issue Date, it cannot be ruled out that the Notes may be rated at any time following the Issue Date. To the extent that any credit rating agencies assign credit ratings to the Notes, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

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

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or euro may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

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

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks related to inflation

The repayment of the nominal amount of the Notes at maturity does not protect investors from the risk of inflation, i.e. it does not guarantee that the purchasing power of the invested capital will not be affected by the increase in the general price level of consumer products. Consequently, the real return of the Notes, which is the adjusted return taking into account the inflation rate measured during the life of the Notes themselves, could be negative.

OVERVIEW

This overview section must be read as an introduction to this Information Memorandum and any decision to invest in the Notes should be based on a consideration of this Information Memorandum as a whole.

Words and expressions included in the "*Terms and Conditions of the Notes*" shall have the same meanings in this section.

Issuer	Banca Valsabbina Società Cooperativa per Azioni
Issuer Legal Entity Identifier (LEI):	815600BEE9123CD92E12
Notes:	Euro 50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 14 September 2036
Issue Price:	100%
Paying Agent and Calculation Agent:	Banca Valsabbina Società Cooperativa per Azioni. The Issuer is entitled to appoint a different Paying Agent in accordance with Condition 4.5 (*Initial Paying Agents*).
Form and Denomination:	The Notes will be issued in dematerialised form in denominations of Euro 200,000 and integral multiples of Euro 1,000 in excess thereof.
Status of the Notes:	Subject as set out below, the Notes are intended to qualify as Tier 2 capital for regulatory capital purposes in accordance with Part II, Chapter 1 of the Bank of Italy's *Disposizioni di Vigilanza Prudenziale per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time, including any successor regulations (the **Bank of Italy Regulation**), and Article 63 of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time (including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012and by Regulation (EU) 2024/1623 of the European Parliament and the Council of 31 May 2024 amending the Regulation (EU) No 575/2013 as regards requirements for credit risks, credit valuation adjustment risks, operational risks, market risks and the output floor) (the **CRD IV Regulation**). The Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank: (i) after all unsubordinated, unsecured creditors (including depositors and holders

	of senior notes and senior non-preferred notes (*strumenti di debito chirografario di secondo livello*)) of the Issuer and after all creditors of the Issuer holding instruments that are or are expressed by their terms to be less subordinated than the Notes; (ii) at least *pari passu* without any preference among themselves and with all other present and future subordinated obligations of the Issuer that are not expressed by their terms to rank or which do not rank junior or senior to the Notes, save for those preferred by mandatory and/or overriding provisions of law; and (iii) in priority to the claims of shareholders of the Issuer and to all other present and future subordinated obligations of the Issuer which rank or are expressed by their terms to rank junior to the Notes. In the event the Notes do not qualify or cease to qualify, in their entirety, as Own Funds, the Notes shall rank: (i) subordinated and junior to unsubordinated unsecured creditors of the Issuer (including depositors and holders of senior notes and senior non-preferred notes (*strumenti di debito chirografario di secondo livello*)); (ii) *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or have ceased to qualify, in their entirety, as Own Funds and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the Notes (which do not qualify or have so ceased to qualify, in their entirety, as Own Funds); and (iii) senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*).
Maturity:	14 September 2036
Interest and Interest Payment Dates:	The Notes will bear interest at the applicable Rate of Interest from and including the Issue Date, and will be payable annually in arrear on 14 September of each year (each, an **Interest Payment Date**). The Rate of Interest in respect of the period from (and including) the Issue Date to (but excluding) the Reset Date (the **Initial Period**) will be equal to 6.25 per cent. *per annum*. The Rate of Interest for each Interest Period from (and including) the Reset Date to (but excluding) 14 September 2036 (the **Maturity Date**) (the **Reset Interest Period**), will be the sum of (a) the 5-Year Mid-Swap Rate in relation to the Reset Interest Period, and (b) 3.004 per cent. (the **Margin**). **Reset Date** means 14 September 2031. See Condition 3 (*Interest*).
No right of Noteholders to redeem:	The Notes may not be redeemed at the option of the Noteholders.

Redemption at the Option of the Issuer:	The Issuer may, at its sole discretion (but subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)), redeem the Notes in whole, but not in part, on the Reset Date at their principal amount, together with all interest accrued to the date fixed for redemption.
Redemption for Regulatory Reasons:	In addition, the Issuer may, at its sole discretion (but subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)), at any time, redeem the Notes in whole but not in part upon occurrence of a change in the regulatory classification of the Notes that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, as Tier 2 Capital of the Issuer or the banking group of which the Issuer is the parent company (the **Group**) registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as subsequently amended and supplemented, under number 5116 (a **Regulatory Event**) and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date, if both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date. See Condition 5.4 (*Redemption for Regulatory Reasons (Regulatory Call)*).
Redemption for Taxation Reasons:	The Issuer may also, at its option (subject to the approval of the Competent Authority), redeem the Notes, in whole but not in part, at any time at their principal amount together with interest accrued to but excluding the date fixed for redemption, if (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 6 (*Taxation*)) or any political subdivision of, or any authority in, or of, a Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date; and (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it. See Condition 5.2 (*Redemption for Taxation Reasons*).
Conditions to Early Redemption and Purchase of Notes:	Any redemption or purchase of Notes in accordance with, as appropriate, Condition 5.2, 5.3, 5.4 or 5.5 is subject to compliance with the then applicable Relevant Regulations. See Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)

	Subject to the applicable conditions, the Competent 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 Notes, in the limit of a predetermined amount provided by the Competent Authority, which shall not exceed, in any case, the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the outstanding aggregate nominal amount of the Tier 2 instruments of the Issuer at the relevant time.
Enforcement Event:	In the event of a voluntary or involuntary liquidation (including, *inter alia, Liquidazione Coatta Amministrativa*) of the Issuer, any holder of a Note may, by written notice to the Issuer at the specified office of the Paying Agent, effective upon the date of receipt thereof by the Paying Agent, declare any such Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its principal amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.
Events of Default:	None
Negative Pledge:	None
Cross Default:	None
Further Issues:	The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.
Taxation:	All payments of principal, interest and other amounts in respect of the Notes by or on behalf of the Issuer shall be made free and clear of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected or assessed by or on behalf of the Relevant Jurisdiction, unless such withholding or deduction is required by law. See Condition 6 (*Taxation*).
Listing and admission to trading	Application has been made to Borsa Italiana for the Notes to be admitted to trading on the Access Milan Professional Segment of Euronext Access Market. Access Milan Professional is not a regulated market for the purposes of the MiFID II.

Rating	The Notes are not rated on the Issue Date and are not expected to be rated after the Issue Date.
Clearing	Monte Titoli S.p.A. (Euronext Securities Milan)
ISIN	IT0005730715
Governing Law	The Notes and any non-contractual obligations arising out of them will be governed by Italian law.
Intended Regulatory Capital Treatment:	It is the intention of the Issuer that the Notes shall qualify as Tier 2 capital for regulatory capital purposes in accordance with Part II, Chapter 1 of the Bank of Italy Regulations, including any successor regulations, and Article 63 of the CRD IV Regulation.
Contractual Recognition of Bail-in Powers	By the acquisition of the Notes, each holder of the Notes acknowledges and agrees to be bound by the exercise of any Bail-in Power by the Competent Authority (as defined in the "*Terms and Conditions of the Notes*") that may result in the write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Notes and/or the conversion of all or a portion of the principal amount of, or distributions on, the Notes into ordinary shares of the Issuer or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Competent Authority of such Bail-in Power. Each holder of the Notes further agrees that the rights of the holders of the Notes are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-in Power by the Competent Authority. For these purposes, a **Bail-in Power** means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action, of credit institutions, investment firms and/or Banca Valsabbina Group Entities incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer or Banca Valsabbina Group Entities, including (but not limited to) any such laws, regulations, rules or requirements (including the BRRD and/or the SRM Regulation) that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, an investment firm and/or any Banca Valsabbina Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person. Upon the Issuer being informed or notified by the Competent Authority of the actual exercise of the date from which the Bail-in Power is effective with respect to the Notes, the Issuer shall notify the holders without

	delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this Condition. The exercise of the Bail-in Power by the Competent Authority with respect to the Notes shall not constitute an event of default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Competent Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions or investment firms and/or Banca Valsabbina Group Entities incorporated in the relevant Member State. **Banca Valsabbina Group Entities** means any legal person that is part of the Group. See Condition 14 (*Contractual Recognition of Statutory Bail-In Powers*)
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes. These are set out under "*Risk Factors*".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Information Memorandum shall be incorporated by reference into, and form part of, this Information Memorandum:

(a) the English translation of the press release headed "*Banca Valsabbina: results as at 30 June 2026 approved*" published on 6 August 2026 available at https://www.bancavalsabbina.com/v4ls4bB/uploads/2026/08/2026_08_05-Comunicato-Stampa_Semestrale-06_2026-BV_EN.pdf (the "**1H2026 Press Release**");

(b) the English translation of the audited consolidated annual financial statements of the Group as at and for the financial year ended 31 December 2025 which can be found at the following link https://www.bancavalsabbina.com/v4ls4bB/uploads/2026/08/Bilancio-2025_ENGLISH-2.pdf (the **2025 Annual Financial Statements**);

(c) the English translation of the audited consolidated annual financial statements of the Group as at and for the financial year ended 31 December 2024 which can be found at the following link: https://www.bancavalsabbina.com/v4ls4bB/uploads/2026/08/Bilancio-2024_ENGLISH-2.pdf (the **2024 Annual Financial Statements**);

each to the extent specified in the cross-reference list below and save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein or in any subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Copies of documents incorporated by reference into this Information Memorandum can be obtained free of charge from the registered office of the Issuer at the address given at the end of this Information Memorandum and will be available for viewing on the websites of the Group (www.bancavalsabbina.com).

The information incorporated by reference that is not expressly included in the cross-reference list below, is considered either not relevant or covered elsewhere in this Information Memorandum.

CROSS-REFERENCE LIST FOR DOCUMENTS INCORPORATED BY REFERENCE

Document	Information incorporated	Page(s) [1]:
1H2026 Press Release	*Entire Document*	
2025 Annual Financial Statements	*Consolidated Financial Statements:*	
	Balance sheet	510-511
	Income statement	512
	Statement of comprehensive income	513
	Statement of changes in shareholders' equity	514-515
	Cash Flow Statement	516
	Explanatory Notes	520-697
	Report of Independent auditing firm	730-736
2024 Annual Financial Statements	*Consolidated Financial Statements:*	*Pages:*
	Balance sheet	508-509
	Income statement	510-511
	Statement of comprehensive income	511
	Statement of changes in shareholders' equity	512-514
	Cash Flow Statement	515
	Explanatory Notes	519-691
	Report of Independent auditing firm	724-730

[1] Pages numbers refer to the pages at the bottom of the PDF document.

TERMS AND CONDITIONS OF THE NOTES

The €50,000,000 Tier II 10Y Callable Fixed Rate Reset Notes due 14 September 2036 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single series with the Notes) are issued by Banca Valsabbina S.C.p.A. (the **Issuer**).

Any reference in these Terms and Conditions to **Noteholders** or **holders** in relation to the Notes shall mean the legal and beneficial owners of Notes and evidenced in book entry form in the accounts of such legal and beneficial owners held with the relevant Monte Titoli Account Holder (as defined below) with Euronext Securities Milan (the commercial name of Monte Titoli S.p.A.) with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy (**Monte Titoli**) pursuant to the relevant provisions of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and in accordance with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) and Bank of Italy Joint Regulation dated 13 August 2018, as subsequently amended and supplemented from time to time (the **CONSOB and Bank of Italy Joint Regulation**). No physical document of title will be issued in respect of the Notes; however, the Noteholders may ask the relevant intermediaries for certification evidencing their holding pursuant to Articles 83-quinquies and 83-sexies of the Financial Services Act. Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) are intermediaries authorised to operate through Monte Titoli.

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

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

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

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

1. FORM, DENOMINATION, TITLE AND PLACEMENT

1.1 Form and Denomination

The Notes are in bearer form in the denomination of €200,000 and integral multiples of €1,000 in excess thereof (the **Specified Denomination**). The Notes will be held in dematerialised form on behalf of the Noteholders by Monte Titoli for the account of the relevant Monte Titoli Account

Holders as of their respective date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg.

1.2 Title

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

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

2. STATUS

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

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

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

3. INTEREST

3.1 Interest Rate and Interest Payment Dates

The Notes bear interest at the applicable Rate of Interest from and including the Issue Date in accordance with the provisions of this Condition 3. Interest shall be payable annually in arrear on each Interest Payment Date, starting from, and including, 14 September 2027.

3.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10 (*Notices*).

3.3 Initial Rate of Interest and Reset Rate of Interest

The Rate of Interest for each Interest Period from (and including) the Issue Date to but excluding 14 September 2031 (the **Reset Date**) (the **Initial Period**) will be 6.25 per cent. per annum (the **Initial Rate of Interest**).

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

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

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

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

3.5 Reference Rate Replacement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Publication of Reset Rate of Interest

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

3.7 Calculation of Interest Amount

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

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

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

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

3.8 Notifications, etc. to be Final

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

3.9 Definitions

In these Conditions:

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

and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

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

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

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

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

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

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

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

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

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

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

Interest Payment Date means 14 September in each year from (and including) 14 September 2027 up to (and including) the Maturity Date;

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

Issue Date means 14 September 2026;

Margin means 3.004 per cent.;

Maturity Date means 14 September 2036;

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

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

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

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

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

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

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

Rate of Interest means:

(a) in the case of each Interest Period falling in the Initial Period, 6.25 per cent.; or

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

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

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

Reset Date means 14 September 2031;

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

Reset Reference Banks means five leading swap dealers in the principal interbank market relating to euro selected by the Issuer on the advice of an investment bank of international repute;

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

Screen Page means Bloomberg screen page "ICAE55", or such other screen page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace

Bloomberg, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

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

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

4. PAYMENTS

4.1 Payments in respect of Notes

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

4.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

4.3 Payments subject to applicable laws

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

4.4 Payment only on a Presentation Date

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

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

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

(b) is a Business Day; and

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

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

4.5 Initial Paying Agents

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

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

5. REDEMPTION AND PURCHASE

5.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 14 September 2036.

5.2 Redemption for Taxation Reasons

If:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 6 (*Taxation*)) or any political subdivision of, or any authority in, or of, a Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date; and

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

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

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

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

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

5.4 Redemption for Regulatory Reasons (Regulatory Call)

The Issuer may, at its discretion (subject to the provisions of Condition 5.8 (*Conditions to Early Redemption and Purchase of Notes*)), at any time, on giving not less than 30 nor more than 60 days' notice to Monte Titoli, the Paying Agent and, in accordance with Condition 10 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes, in whole but not in part, at their principal amount together with interest accrued to but excluding the date fixed for of redemption, upon the occurrence of a change in the regulatory classification of the Notes that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, as Tier 2 Capital of the Issuer or the banking group of which the Issuer is the parent company (the **Group**) registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as subsequently amended and supplemented, under number 5116 (a **Regulatory Event**) and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date, if both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in regulatory classification of the Notes was not reasonably foreseeable by the Issuer as at the Issue Date.

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

In these Conditions:

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

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

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

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

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

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

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

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

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

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

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

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

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

5.5 Purchases

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

In this Condition:

Subsidiary means the subsidiaries, as defined under the Relevant Regulations applicable from time to time, that are part of the Group and included in the consolidated financial statements as at 31 December 2025; and

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

5.6 Cancellations

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

5.7 Notices Final

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

5.8 Conditions to Early Redemption and Purchase of Notes

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

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

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

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

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

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

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

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

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

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

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

6. TAXATION

6.1 Payment without Withholding

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

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

(b) presented for payment in Italy; or

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

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

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

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

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

6.2 Interpretation

In these Conditions:

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

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

6.3 Additional Amounts

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

7. PRESCRIPTION

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

8. ENFORCEMENT EVENT

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

9. ADMISSION TO TRADING

The Issuer will submit to Borsa Italiana S.p.A. (**Borsa Italiana**) an application for admission to trading of the Notes on the Access Milan Professional Segment (**Access Milan Professional**) of the Euronext Access Market. Borsa Italiana's decision on the admission to trading of the Notes, on the basis of the Information Memorandum dated 10 September 2026, and the date of commencement of trading on the Access Milan Professional, together with the information relating to trading, will be communicated by Borsa Italiana through a specific notice pursuant to Article 224.3 of the Access Milan Market rules adopted by Borsa Italiana on 11 September 2023, as amended from time to time (the **Euronext Access Market Rules**).

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

10. NOTICES

10.1 Notices to the Noteholders

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

10.2 Notices from the Noteholders

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

11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND VARIATION

11.1 Meetings of Noteholders

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

Subject to the above, such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes a Reserved Matter, the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An

Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution.

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

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

11.2 Modification

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

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

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

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

11.3 Variation

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

In these Conditions:

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

Qualifying Subordinated Notes means securities issued by the Issuer that:

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

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

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

12. FURTHER ISSUES

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

13. GOVERNING LAW AND SUBMISSION TO JURISDICTION

13.1 Governing Law

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

13.2 Jurisdiction

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

14. CONTRACTUAL RECOGNITION OF STATUTORY BAIL-IN POWERS

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

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

Upon the Issuer being informed or notified by the Competent Authority of the actual exercise of the date from which the Bail-in Power is effective with respect to the Notes, the Issuer shall notify the holders without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this Condition.

The exercise of the Bail-in Power by the Competent Authority with respect to the Notes shall not constitute an Event of Default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Competent Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions or investment firms and/or Group Entities incorporated in the relevant Member State.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.

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

ANNEX 1 TO THE TERMS AND CONDITIONS OF THE NOTES

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. DEFINITIONS

In these Provisions for Meetings of Noteholders, the terms below shall have the following meaning:

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

Eligible Voter means the person in whose account with Monte Titoli the relevant Note is held by the relevant Monte Titoli Account Holder, as evidenced by the Participating Notification, as at the close of business on the Record Date, taking into account Article 83-sexies of the Financial Services Act;

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

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

Participating Notification means, in relation to any Meeting, the notification requested by any Noteholder, issued by the relevant Monte Titoli Account Holder and notified electronically to the Issuer through the Monte Titoli systems or any other electronic platform, in accordance with Article 83-sexies of the Financial Services Act, setting out, inter alia, (i) the aggregate principal amount of the Notes in respect of which the notification is given and (ii) that the person identified therein is entitled to attend and vote at the Meeting as an Eligible Voter;

Proxy means, with respect to a Meeting, a person appointed to vote by the Eligible Voter under a Proxy Delegation other than:

(a) any person whose appointment has been revoked and in relation to whom the Issuer or Monte Titoli or the Paying Agent, if applicable, has been notified in writing of such revocation by close of business of the second business day before the time fixed for the relevant Meeting; and

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

Proxy Agent means, in relation to any Meeting, Monte Titoli when appointed by the Issuer to provide proxy services;

Proxy Delegation means, in relation to any Meeting, a document (or, in case Monte Titoli is appointed as Proxy Agent, an electronic notification) requested by any Eligible Voter in accordance with applicable laws and regulations, delivered to the Issuer or Monte Titoli or the Paying Agent, if applicable, and the Issuer in respect of any Eligible Voter:

1. certifying that the Eligible Voter or a duly authorised person on its behalf has instructed the relevant Proxy named therein that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting;

(a) listing the total number of the Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution;

(a) authorising the relevant Proxy named therein to vote in respect of the Notes in accordance with such instructions;

Record Date means the seventh Stock Exchange Day prior to the date fixed for any Meeting, provided that if the notice convening the Meeting already fixes the date of the adjourned Meeting, the Record Date will be the seventh Stock Exchange Day prior to the date fixed for the original Meeting, in accordance with Article 83-sexies of the Financial Services Act;

Stock Exchange Day means any day on which Euronext Access Market (if and for so long as the Notes are admitted to trading on the Access Milan Professional Segment of the Euronext Access Market) or any other market on which the relevant Notes are listed, is open for business;

Relevant Fraction means:

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

(b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented; and

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

Reserved Matter means any proposal:

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

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

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

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

(e) to amend this definition;

Voter means, in relation to any Meeting, the Eligible Voter identified in the relevant Participating Notification or, if a Proxy Delegation has been issued in respect to an Eligible Voter, any Proxy; and

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

2. ISSUE OF PARTICIPATING NOTIFICATIONS AND PROXY DELEGATIONS

Any holder of a Note who wishes to participate in any Meeting, whether in person or via Proxy Delegation, must request the Monte Titoli Account Holder to issue a Participating Notification which will be the sole certification required to identify, on the day of the relevant meeting, the Eligible Voter. Eligible Voters who may not wish to attend and vote at the relevant Meeting in person, shall, in addition to the issuance of the Participating Notification, send, or instruct the Monte Titoli Account Holder to send, a Proxy Delegation not later than close of business on the third Stock Exchange Day before the date fixed for the relevant Meeting, provided that Proxy Delegations may be issued also after such time until the meeting starts. Proxy Delegations are to be sent to Monte Titoli if the Issuer has appointed Monte Titoli as Proxy Agent, acting in its capacity as Proxy or to the Paying Agent, if applicable. So long as a Proxy Delegation is valid, any Proxy named therein shall be deemed a Voter for all purposes in connection with the Meeting.

3. VALIDITY OF PROXY DELEGATIONS

A Proxy Delegation shall be valid only if received by Monte Titoli, to the extent appointed as Proxy Agent, and the Issuer and the Paying Agent, if applicable, not later than close of business on the third Stock Exchange Day before the date fixed for the relevant Meeting, provided that any Proxy Delegation received before the Meeting proceeds to business shall also be valid. If the Issuer requires, a copy of each Proxy Delegation and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Issuer shall not be obliged to investigate the validity of any Proxy Delegation.

4. CONVENING OF MEETING

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

5. NOTICE

At least 21 calendar days notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders by the Paying Agent, if applicable (with a copy to the Issuer) and/or Monte Titoli. The notice shall include, amongst others, a statement specifying that those proving to be holders of the Notes only after the Record Date shall not have the right to attend and vote at the relevant Meeting.

6. CHAIRMAN

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

7. QUORUM

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the outstanding aggregate principal amount of the Notes.

8. ADJOURNMENT FOR WANT OF QUORUM

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

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

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

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

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

9. ADJOURNED MEETING

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

10. NOTICE FOLLOWING ADJOURNMENT

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

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

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

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

11. PARTICIPATION

The following may attend and speak at a Meeting:

(a) Voters;

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

(c) the financial advisers of the Issuer;

(d) the legal counsel to the Issuer;

(e) the Paying Agent; and

(f) any other person approved by the Meeting.

12. SHOW OF HANDS

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

13. POLL

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

14. VOTES

Every Voter shall have:

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

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

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

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

15. VOTING BY PROXY

Any vote by a Proxy in accordance with the relevant Proxy Delegation shall be valid even if such Proxy Delegation or any instruction pursuant to which it was given has been amended or revoked, provided that the Paying Agent, or Monte Titoli, to the extent appointed as Proxy Agent, or the Issuer has not been notified in writing of such amendment or revocation by the time which is 48 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Proxy Delegation in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; provided, however, that, unless the Proxy Delegations specify otherwise, no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed and any person appointed to vote at such a Meeting must be re-appointed under a further Proxy Delegation to vote at the Meeting when it is resumed.

16. POWERS

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

(a) to approve any Reserved Matter;

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

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

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

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

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

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

17. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

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

18. MINUTES

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

19. WRITTEN RESOLUTION

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

DESCRIPTION OF THE ISSUER

Incorporation

The Issuer is a credit institution incorporated under the laws of Italy as a cooperative joint-stock company (*società cooperativa per azioni*) on 5 June 1898, with a duration running until 31 December 2100, which may be extended by shareholder resolution in accordance with the Issuer's by-laws.

The legal name of the Issuer is "Banca Valsabbina Società Cooperativa per Azioni" (in short Banca Valsabbina S.C.p.A.) ("**Banca Valsabbina**" or the "**Issuer**").

The Issuer has its registered office at Via Molino 4, 25078 Vestone (Brescia), Italy.

The Issuer is registered in the Companies' Register of Brescia under tax code and registration number 00283510170 and REA code BS -9187.

The Issuer is a member of the Italian Inter-Bank Fund for the Protection of Deposits (*Fondo Interbancario di Tutela dei Depositi e al Fondo Nazionale di Garanzia*), registered in the Register of Banks under ABI code no. 2875, and parent company of the "Banca Valsabbina" banking group (the "**Group**"), registered in the Register of Banking Groups under no. 5116. Pursuant to Article 3 of its by-laws, Issuer's corporate objects are mainly: (i) to carry out credit granting and savings collection activities (ii) to exercise all the activities relevant to the management and coordination of the Group, and (iii) to grant its members benefits to specific services.

Historical Background

On 5 June 1898, the Issuer was founded in Vestone, in the province of Brescia (Italy), as a cooperative bank rooted in the local territory and inspired by the principles of cooperative banking. For years, the Issuer has supported the growth of the economy of Valle Sabbia (BS). During the last fifty years, the network of branches has gradually spread towards Garda Lake, the city of Brescia and throughout its province, excluding Valle Camonica.

The expansion into the province of Trento dates to year 2000, when the Issuer completed the merger by incorporation of Cassa Rurale di Storo – Banca di Credito Cooperativo Soc. Coop. (Storo, Trento).

Then in 2010 the Issuer carefully evaluated new possible growth opportunities through external lines, and as part of these evaluations, it decided to purchase a majority stake in Credito Veronese S.p.A. ("**Credito Veronese**"). The following year, Banca Valsabbina acquired control of Credito Veronese and in December 2012, to obtain cost savings and improve efficiency, Credito Veronese merged by incorporation into Banca Valsabbina.

In 2016, the Issuer acquired a banking business unit (*ramo d'azienda*) comprising seven branches from Hypo Alpe Adria Bank S.p.A., located in Bergamo, Brescia (two branches), Modena, Schio (Vicenza), Verona and Vicenza. Over the last 10 years, the branch network has been rationalized through consolidations and new openings expanding further into Brescia (Valcamonica), Lombardy, Veneto, Piedmont, Emilia-Romagna and Lazio, opening new branches in cities including Milan, Padua, Treviso, Reggio Emilia, Parma, Bologna, Cesena, Turin, Novara, Cuneo, Alessandria, Asti, Lodi, Pavia, Sondrio and Rome.

As at the date of this Information Memorandum, Banca Valsabbina has grown into a bank operating across northern and central Italy while retaining its cooperative nature and its deep connections with the communities it serves.

In 2020 the Issuer acquired a stake equal to 26% of the share capital of Integrae Sim, a Milan-based brokerage firm specializing in the structuring of equity capital market transactions on the Euronext Growth Milan ("**EGM**") market ("**Integrae SIM**").

In 2021, the Issuer acquired a stake equal to 9.9% of the share capital of Prestiamoci S.p.A. ("**Prestiamoci**"), a financial intermediary authorized and regulated by the Bank of Italy, that has created and developed an innovative digital consumer lending platform.

In September 2023 the Issuer completed the closing of the transaction regarding the acquisition of shares from Arkios Italy, increasing its stake to 78.63% of the share capital of Integrae SIM, therefore implementing its corporate finance solutions.

In November 2023, the Issuer completed the acquisition of 100% of the fintech company Prestiamoci, steering its business strategy toward an increasingly efficient, competitive, and sustainable model.

Group Structure and business overview

The main activities carried out by the Issuer are represented by the collection of deposits or other repayable funds, lending and financing operations, and the provision of banking services, including the distribution of insurance policies and mutual funds, as well as investment advice and portfolio management solutions. Moreover, Banca Valsabbina supports through Integrae SIM small and medium-sized companies ("**SMEs**") with capital-market transactions, and through Prestiamoci grants consumer loan to retail and professionals. Customers are traditionally represented by economic entities such as households, trades, professionals and SMEs.

The following paragraphs summarise the Issuer's principal business activities as at the date of this Information Memorandum.

Lending and credit

The Issuer's principal activities consist of deposit-taking and lending, with particular focus on management of credit facilities for households and enterprises. The lending portfolio encompasses a broad range of products, including residential and commercial mortgage loans, overdraft facilities, advances on trade receivables and invoices, medium- and long-term corporate loans, agricultural finance and government-guaranteed lending to SMEs under the "Fondo Centrale di Garanzia" programme.

In the financial year ended 31 December 2025, the Issuer originated residential mortgage loans of which a part qualified as "green" mortgages financing energy-efficient properties or renovations. The Issuer also maintains a dedicated agribusiness lending desk, supporting agricultural enterprises, cooperatives and agri-food businesses operating in the Issuer's core territories. The Issuer also offers specialised "green loan" products designed to finance investments in renewable energy, energy efficiency and sustainable agriculture.

Through its subsidiary Prestiamoci, the Group offers its customers financing solutions in the form of loans. Moreover, the Issuer's product portfolio includes "Presti-Green", a dedicated credit line financing the purchase of electric and hybrid vehicles and energy-efficient home renovations.

Finally, the Issuer has progressively expanded its offering of loans backed by guarantees from the Italian Central Guarantee Fund (*Fondo Centrale di Garanzia*) or SACE, which provide first-demand guarantees to financing banks and are designed to facilitate access to credit for SMEs and micro-enterprises on competitive terms.

Finally, the Issuer maintains a dedicated international banking department, which provides advisory services and tailored financial solutions to enterprises operating in international markets.

Investment services

The Issuer provides a comprehensive suite of wealth management and investment advisory services to its retail and private banking clients. Investment advisory services are the primary means by which the Issuer assists clients in managing their savings, based on each investor's risk tolerance and investment objectives.

The Issuer distributes open-ended mutual funds and closed-end investment funds, and insurance-based investment products (the latter in partnership with leading insurance undertakings, including Zurich insurance group).

Moreover, the Issuer provides private banking services and provides tailored investment advisory and portfolio management services to some of its clients.

Deposits and account packages (*convenzioni*)

Reflecting its cooperative nature, the Issuer offers tailored current account packages (*convenzioni*) to its members, households, and enterprises. The beneficiaries of targeted services offered on favorable terms are, in particular, individuals who hold a minimum of 100 or 200 Issuer's shares, and companies that hold a minimum of 1,000 of such shares. During 2025 the range of current account products was comprehensively reviewed and segmented by age, family situation and distribution channel, including fully-digital options; dedicated packages are also available for professionals, small businesses and agricultural entrepreneurs.

The Issuer funds its lending and investment activities primarily through retail deposit-taking, comprising current accounts, savings accounts and time deposits. In order to further expand its deposit-gathering capability, the Issuer offers the online savings account *"Conto Twist"*, and the related time-deposit product. Finally, the Issuer's funding from customers is complemented by its bond issuance programme.

Corporate finance

Corporate finance and equity capital markets services are provided through the Issuer's subsidiary Integrae SIM. The synergies developed with its subsidiary Integrae SIM enable the Issuer to offer solutions designed to support companies seeking to combine forms of financing that complement traditional banking services by gaining access to capital markets. This activity is primarily targeted towards companies interested in initiating the listing process on EGM market, dedicated to SMEs.

The Issuer also provides debt capital markets services to companies, supporting them in the issuance of minibonds.

Leasing, factoring and securitisation

The Issuer offers leasing solutions through partnerships with specialised leasing operators. Moreover, the Issuer engages in securitization and/or non-recourse (so called *pro-soluto*) factoring transactions to meet the needs of corporate clients, who are increasingly seeking to obtain the liquidity necessary to streamline their working capital management. These transactions offer the possibility of monetizing the proceeds in advance and on favorable terms; additional structured finance solutions are also available, designed to enable companies to obtain liquidity through the securitization of other types of assets, based on the company's specific needs.

Banca Valsabbina directly offers factoring services managed by a dedicated internal team and comprise the purchase of commercial trade receivables and VAT credits, on both a non-recourse (*pro-soluto*) and with-recourse (*pro-solvendo*) basis. These services enable the Issuer's SME client base to accelerate cash-flow conversion and optimise working capital management.

Payment services and digital channels

The payment services provided by the Issuer continued to grow during 2025, operating through a network of ATMs, debit cards and credit cards also distributed in partnership with Nexi S.p.A. and American Express.

The focus on maintaining a physical presence in the community does not preclude the Issuer's commitment to remote operations, with offerings of products available exclusively online as well as services that customers can access through internet banking.

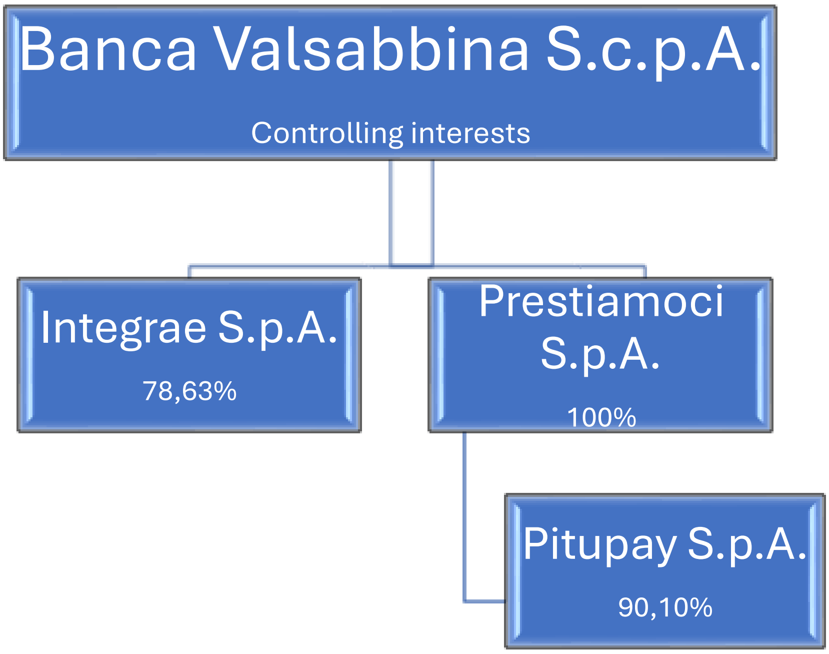
Digital and mobile payment capabilities are enhanced through the growth of internet banking contracts, reflecting the progressive shift of the client base towards digital channels.

Structure chart

The Issuer is the parent company of the Group. As at 31 December 2025, the Group comprised, other than the Issuer, the following directly and indirectly controlled companies:

- Integrae SIM S.p.A.;
- Prestiamoci S.p.A. ; and
- Pitupay S.p.A.

The following chart shows the structure of the Group as at the date of this Information Memorandum:



As at 31 December 2025, the Issuer's share capital amounted to Euro 106,550,481, represented by 35,516,827 ordinary shares with a nominal value of Euro 3.00 each. As at the same date, the Issuer held 561,423 treasury shares, equal to a value of Euro 5,712,734.

To the best of the Issuer's knowledge, as at the date of this Information Memorandum, there are no agreements whose implementation may, at a later date, result in a change in the Issuer's control structure.

As at 31 December 2025, the Issuer operated through a distribution network of 74 branches across northern and central Italy. As at the same date, the Group employed 1,028 persons (of which 981 employed directly by the Issuer).

As at 30 June 2026, the Issuer operated through a distribution network of 75 branches across northern and central Italy. As at the same date, the Group employed about 1,100 persons (of which 1,049 employed directly by the Issuer).

Members of the administrative, management and supervisory bodies

The list of members of the administrative, management and supervisory bodies of the Issuer as at the date of this Information Memorandum and the offices held in other companies are set out below.

Board of Directors

Name and Surname	**Office held in the Issuer**	**Principal offices held in other companies**
Renato Barbieri	Chairman	–
Alberto Pelizzari	Deputy Chairman	– Chair of the Board of Directors of STUDIO PELIZZARI E BRACUTI STP S.R.L.
Ezio Soardi	Honorary Chairman	–
Arturo Alberti	Board Member	– Chair of the Board of Directors and Managing Director of MICROMARMO GRANULATI S.R.L.; – Board Member of SANT'ORSOLA S.R.L.;
Marcella Caradonna	Board Member	– Standing Statutory Auditor of CORNELIANI S.P.A.; – Standing Statutory Auditor of ENI S.P.A.; – Standing Statutory Auditor of WEBUILD S.P.A.; – Statutory Auditor of SOCIETA' ITALIANA DEGLI AUTORI ED EDITORI; – Member of the Supervisory Body of ARDONAGH ITALIA S.P.A.; – Member of the Supervisory Body of ISTITUTO MARANGONI S.R.L.; – Member of the Supervisory Body of PIRELLI DIGITAL SOLUTION S.R.L.
Aldo Ebenestelli	Board Member	– Sole Director of ALUSE S.R.L.;

		- Chair of the Board of Directors of REAL PIEL S.R.L.; - Chair of the Board of Directors of CO.FE.MO INDUSTRIE S.R.L.; - Managing Director of CO.FE.MO SHENZEN.
Eliana Fiori	Board Member	- Managing Director of RODA S.P.A.; - Executive Director of C.B.T. S.R.L.; - Managing Partner of BS.RIS. DI FIORI ELIANA E C. S.N.C.; - Managing Director of IAB S.R.L.; - Managing Director of NODO URBANO S.R.L.;
Tonino Fornari	Board Member	-
Flavio Gnecchi	Board Member	- Sole Director of SECOVAL S.R.L.; - Chair of the Board of Directors of RUCK AND MOLE SOC. COOP.; - Board Member of ASONEXT S.P.A.; - Board Member of ASOFORGE S.P.A.; - Standing Statutory Auditor of PENNA S.R.L.; - Standing Statutory Auditor of BREFIN S.P.A.; - Chair of the Board of Statutory Auditors of TERRAGLIO 07 S.P.A.; - Standing Statutory Auditor of MALTA S.P.A.; - Chair of the Board of Statutory Auditors of A4 HOLDING S.P.A.; - Standing Statutory Auditor of ARGENTEA GESTIONI S.C.P.A.; - Standing Statutory Auditor of SOCIETA' DI PROGETTO BREBEMI S.P.A.; - Chair of the Board of Statutory Auditors of A2A CICLO IDRICO S.P.A.; - Standing Statutory Auditor of VOLTAIRE S.P.A..
Nadia Pandini	Board Member	- Standing Statutory Auditor of PEDRALI S.P.A.;

		– Member of the Supervisory Body of SOCIETÀ S.GIUSEPPE S.P.A..
Simona Pezzolo De Rossi	Board Member	– Chair of the Board of Directors and Executive Director of NEXT GROWTH S.R.L.; – Chair of the Board of Statutory Auditors of INTRED S.P.A.; – Chair of the Board of Statutory Auditors of NULLI HOLDING S.P.A.; – Standing Statutory Auditor of LINEA AMBIENTE S.R.L.; – Standing Statutory Auditor of SAPES S.P.A.; – Standing Statutory Auditor of EDITORIALE BRESCIANA S.P.A.; – Standing Statutory Auditor of ECB COMPANY S.R.L.; – Standing Statutory Auditor of FTH S.P.A.; – Standing Statutory Auditor of ARCE GESTIONI S.P.A.; – Sole Statutory Auditor of CAMPEGGIO DEL SOLE S.R.L..
Luigi Salvini	Board Member	– Executive Director and General Manager of UN.I.CO.M. S.P.A.; – Sole Director of ISOCLIMA S.P.A.; – Sole Director of SA.F.IM. S.P.A.; – Executive Director of UNIMMOBILIARE S.R.L.; – Board Member of UNION BRESCIA S.R.L.; – Executive Director of CLERICI S.P.A. ; – Sole Director of LOGICA S.R.L.; – Sole Director of EBRILLE S.R.L..
Giancarlo Turati	Board Member	– Chair of the Board of Directors of FN&PARTNERS SRL – IT AUDIT AND CONSULTING; – Board Member of BE2NET S.R.L..

Board of Statutory Auditors

Name and Surname	Office held in the Issuer	Principal offices held in other companies
Giorgio Mauro Vivenzi	Chairman	– Chair of the Board of Statutory Auditors of SILMAR GROUP S.P.A. – Chair of the Board of Statutory Auditors of ISVAL S.P.A. – Standing Statutory Auditor of SABAF S.P.A. – Standing Statutory Auditor of TERRAGLIO 07 S.P.A. – Standing Statutory Auditor of PRESTIAMOCI S.P.A. – Standing Statutory Auditor of PITUPAY S.P.A. – Statutory Auditor of GIMAR S.R.L Liquidator of AZIENDA SPECIALE FARMACIA COMUNALE DI GUSSAGO
Patrizia Apostoli	Standing Auditor	– Chair of the Board of SIPRA S.P.A. – Chair of the Board of Statutory Auditors of FAB S.P.A. – Statutory Auditor of CONSORZIO BRESCIA MERCATI S.P.A. – Chair of the Board of S. GIUSEPPE S.P.A.
Filippo Mazzari	Standing Auditor	– Standing Statutory Auditor of FONDITAL S.P.A. – Standing Statutory Auditor of GRANUPLAST S.R.L. – Statutory Auditor of AELLE IMMOBILIARE S.R.L. – Statutory Auditor of LAZZARI TUBI S.R.L. – Statutory Auditor of GORIZIA S.R.L. – Statutory Auditor of START-UP S.R.L. – Statutory Auditor of RADIO VIVA S.R.L. – Statutory Auditor of GRANULIPLAST S.R.L.
Donatella Dorici	Standing Auditor	–
Federico Pozzi	Standing Auditor	– Standing Statutory Auditor of SAMAC S.P.A. – Statutory Auditor of GIVI S.P.A.

		- Chair of the Board of Directors and Executive Director of DOMUS COMPENDIUM S.R.L. - Executive Director of COMPENDIUM S.R.L. - Board Member of ISINNOVA S.R.L.
Andrea Gazzorelli	Alternate Auditor	- Board Member of PRIMATON S.P.A. - Standing Statutory Auditor and Statutory Auditor of EUROPE GLASS S.P.A. - Standing Statutory Auditor and Statutory Auditor of AD-FIN S.P.A. - Standing Statutory Auditor and Statutory Auditor of GHIDINI CIPRIANO S.R.L. - Chair of the Board of Statutory Auditors of PICA ITALIA S.P.A. - Board Member of DAS S.R.L. - Board Member of CDA CONSULTING S.R.L. - Board Member of ABC S.R.L. - Board Member of COM S.R.L. - Sole Director of ELIOS SOCIETÀ TRA PROFESSIONISTI A R. L.
Daniela Lorandi	Alternate Auditor	-

All members of the Board of Directors and of the Board of Auditors meet the integrity and professional requirements provided for by the legislation and regulations currently in force. There are no conflicts of interest between any of the board of Director's and Statutory Auditors' duties to the Issuer and their private interests or other duties.

All members of the Board of Auditors are on the Register of Auditors.

Independent Auditors

The independent auditors of the Issuer as of the date hereof is Forvis Mazars S.p.A. ("**Forvis Mazars**"). Forvis Mazars is registered under No. 163788 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*), held by the Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. The registered office and the business address of Forvis Mazars is at Via Ceresio 7, 20154 Milan, Italy.

Forvis Mazars examine the Issuer's consolidated and non-consolidated annual financial statements and issue an opinion regarding whether its consolidated and non-consolidated annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38 of 2005 and art. 43 of Italian Legislative Decree no. 136 of 2015; which is to say whether they give a true and fair view of the financial position and results and cash flows of, respectively, the Group and the Issuer.

Forvis Mazars' independent auditors' report on the 2025 Annual Financial Statements and on the 2024 Annual Financial Statements are incorporated by reference in this Information Memorandum.

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

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

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

Tax treatment of Notes issued by the Issuer

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree No. 239**) sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as **Interest**) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian banks.

The provisions of Decree No. 239 apply to those notes which qualify as bonds (*obbligazioni*) or debentures 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**). For these purposes, bonds and debentures similar to bonds (*titoli similari alle obbligazioni*) are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value (with or without internal payments) and that do not give any right to directly or indirectly participate in the management of the issuer or to the business in relation to which the securities are issued nor any type of control on the management and do not provide for a remuneration which is entirely linked to the profits of the issuer, or other companies belonging to the same group or to the business in respect of which the securities have been issued.

Pursuant to Article 2(22) of Law Decree 13 August 2011 No. 138, converted with amendments by Law 14 September 2011 No. 148, the tax regime set forth by Decree No. 239 also applies to Interest from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks, other than shares and assimilated instruments.

Please note that, from 1 January 2027, the provisions included in the Decree No. 239 (Articles 1-9 and 11) will be incorporated, with no changes with respect to what is relevant in this Taxation, into the consolidated law on payments and collection, referred to in the Italian Legislative Decree No. 33 of 24 March 2025 (Articles 62-71).

Italian resident Noteholders

Pursuant to Decree No. 239, where the Italian resident holder of the Notes, who is the beneficial owner of such Notes, is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; 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 professional association; or

(c) a private or public institutions (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or

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

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as "net recipients" unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called "*regime del risparmio gestito*" (the **Asset Management Regime**) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended and supplemented from time to time (**Decree No. 461**).

Where the resident holders of the Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

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

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called **SIMs**), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy (**Intermediaries** and each an **Intermediary**) or by permanent establishments in Italy of banks or intermediaries resident outside Italy or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree No. 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Payments of Interest in respect of Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

(i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;

(ii) Italian resident partnerships carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*);

(iii) Italian resident open-ended or closed-ended collective investment funds (together the **Funds** and each a **Fund**), SICAVs, SICAFs, Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (**Decree No. 252**), Italian resident real estate investment funds and real estate SICAFs subject to the regime provided for by Law Decree No. 351 of 25 September 2001; and

(iv) Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must: (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time, together with the coupons relating to such Notes, directly or indirectly with an Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes are not deposited with an Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* (if any) suffered from income taxes due.

Interest accrued on the Notes shall be included in the corporate taxable income (**IRES**) (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – **IRAP**) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime are subject to a 26 per cent. annual *imposta sostitutiva* (the **Asset Management Tax**) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is a Fund, a SICAV or a non-real estate SICAF and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, the SICAV or the non- real estate SICAF. The Fund, SICAV or non-real estate SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. The income of the real estate fund or of the real estate SICAF may be subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

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

Non-Italian resident Noteholders

According to Decree No. 239, payments of Interest in respect of the Notes will not be subject to *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected **provided that**:

(a) such beneficial owners are resident for tax purposes in a State or territory which allows for an adequate exchange of information with the Italian tax authorities included in the Ministerial Decree of 4 September 1996, as amended and supplemented from time to time (the **White List**). According to Article 11, par. 4, let. c) of Decree No. 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September, 1996 as amended from time to time; and

(b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in countries included 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 per cent. *imposta sostitutiva*, non Italian resident investors indicated above must:

(a) be the beneficial owners of payments of Interest on the Notes (certain types of institutional investors are deemed to be beneficial owners by operation of law);

(b) deposit the Notes in due time together with the coupons relating to such Notes, directly or indirectly, with a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, 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 with the relevant depository a self-declaration (*autocertificazione*) in due time stating, *inter alia*, that the Noteholder is resident, for tax purposes, in one of the States included in the White List. Such self-declaratio (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), shall be valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The self-declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities or organisations established in accordance with international agreements ratified in Italy, and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

Failure of a non-Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on Interests payments to a non resident holder of the Notes.

Non-Italian resident holders of the Notes who are subject to *imposta sostitutiva* may, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

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 *imposta sostitutiva*, the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche and (b) the difference between the issue price of the new tranche and that of the original tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Capital Gains Tax

Italian resident Noteholders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by:

- an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;
- an Italian resident partnership not carrying out commercial activities;
- an Italian private or public institution not carrying out mainly or exclusively commercial activities;

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*regime della dichiarazione*" (**Tax Declaration Regime**), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities, and *imposta sostitutiva* must be paid on such capital gains together with any balance 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 fiscal year.

Alternatively to the Tax Declaration Regime, the holders of the Notes who are:

- Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;
- Italian resident partnerships not carrying out commercial activities;
- Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the **Administrative Savings Regime**). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and

(ii) an express election for the Administrative Savings Regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes or using funds provided by the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to the determination of the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio at the year-end may be carried forward against appreciation accrued in each of the following tax years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

In the case of Notes held by Funds, SICAVs and SICAFs, capital gains on the Notes contribute to determine the increase in value of the managed assets of the Funds, SICAVs or SICAFs accrued at the end of each tax year. The Funds, SICAVs or SICAFs will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. The income of the real estate investment fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Noteholder who is an Italian resident pension fund (subject to the regime provided for by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, and will be subject to the Pension Fund Tax. Subject to certain limitations and requirements (including minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident pension fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income for IRES purposes (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Non- Italian resident Noteholders

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident Noteholders 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 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, and in certain cases subject to timely filing of required documentation (in the form of a self-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, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a State or territory included in the White List and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. 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 Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon the condition that they file in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and

(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 *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

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 Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon the condition that they promptly file with the Italian authorised financial intermediary a declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Inheritance and gift taxes

Transfers of any valuable asset (including shares, Notes or other securities) as a result of death or donation are taxed as follows:

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

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding Euro 100,000; and

(c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding, for each beneficiary, Euro 1,500,000.

The *mortis causa* transfer of financial instruments (such as the Notes) included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements from time to time applicable as set forth by Italian law, is exempt from inheritance taxes.

Transfer tax

Contracts relating to the transfer of securities are subject to a Euro 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in the "case of use" (*caso* d'uso), in case of "explicit reference" (*enunciazione*) or voluntary registration (*registrazione volontaria*).

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, under certain conditions, the amount of investments (including the Notes) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holders of the financial instruments, are the actual owners of the instrument.

Furthermore, it is not necessary to comply with the above reporting requirement with respect to: (i) the Notes deposited for management with qualified Italian financial intermediaries; (ii) the contracts entered into through their intervention, upon the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) the foreign investments which are only composed of deposits and/or bank accounts and whose aggregate value does not exceed a Euro 15,000 threshold throughout the year.

Stamp duty

Pursuant to Article 13, para. 2-*ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 (starting from 1 January 2027, Annex III of Legislative Decree No. 123 of 1 August 2025), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to its clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which is not mandatory nor the deposit, nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011, as subsequently amended, supplemented and restated) of an entity that exercises a banking, financial or insurance activity in any form within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, as amended and supplemented, Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions holding financial assets, including the Notes, outside of the Italian territory are required to declare in their own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent or 0.4 per cent if the Notes are held in a country listed in the Italian Ministerial Decree dated 4 May 1999, pursuant to the provisions of Law No. 213/2023 and it cannot exceed Euro 14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement.

U.S. Foreign Account Tax Compliance Act (FATCA)

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under

FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

1. GENERAL

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

2. UNITED STATES

2.1 No registration under Securities Act

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

2.2 Compliance by Issuer with United States securities laws

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

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

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

2.3 Manager's compliance with United States securities laws

The Manager:

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

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

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

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

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

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

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

2.4 Manager's compliance with United States Treasury regulations

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

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

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

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

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

(c) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163 5(c)(2)(i)(D)(6), and, with respect to each affiliate of the Manager that acquires Notes from the Manager for the purpose of offering or selling such Notes during the restricted period, the Manager undertakes to the Issuer that it either (i) repeats and confirms the representations and agreements contained in sub-clauses 2.4(a), 2.4 (b) and 2.4(c)(i) on each affiliates behalf, or (ii) it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in sub-clauses 2.4(a), 2.4(b) and 2.4(c).

2.5 Interpretation

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

3. UNITED KINGDOM

Prohibition of sales to UK Retail Investors

The Manager has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Information Memorandum in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

a) the expression "retail investor" means a person who is either one (or both) of the following:

   (i) not 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; or

   (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

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

Other regulatory restrictions

The Manager has represented and agreed that:

(a) *Financial promotion:* it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

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

4. REPUBLIC OF ITALY

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

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017, as amended (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

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

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

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and 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 and/or any other Italian authority (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time).

5. BELGIUM

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

6. PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Manager has represented, warranted and undertaken to the Issuer that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EC (as amended or superseded, **MiFID II**); or

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

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

MANAGER TRANSACTING WITH THE ISSUER

The Manager and its affiliates (including their parent companies) has engaged, and may in future engage, in investment banking and/or commercial banking (including derivatives contracts, the provision of loan facilities and consultancy services) and other related transactions with, and may perform services for the Issuer and its affiliates (including other members of the Group) in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Manager and its 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 its affiliates or any entity related to the Notes. The Manager or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk-management policies. Typically, the Manager and its 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 the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes. The Manager and its 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 purposes of this paragraph, the term "affiliates" includes also parent companies.

The Manager under the Notes may receive a commission.