BASE PROSPECTUS

FINECOBANK S.p.A.

(*incorporated as joint stock company in the Republic of Italy*)

€2,000,000,000

Euro Medium Term Note Programme

Under this €2,000,000,000 Euro Medium Term Note Programme (the **Programme**), FinecoBank S.p.A. (the **Issuer** or **FinecoBank**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The FinecoBank banking group is registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Consolidated Banking Act**) under number 3015 (the **Group** or the **FinecoBank Group**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus (the **Base Prospectus**) to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

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

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. References in this Base Prospectus to the Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the form of Final Terms, the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin.

Copies of Final Terms in relation to Notes to be listed on the Euronext Dublin will also be published on the website of the Euronext Dublin. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated BBB by S&P Global Ratings Europe Limited (**S&P**). S&P is established in the EEA and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Accordingly the Issuer ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited in accordance with the Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and have not been withdrawn. As such, the ratings issued by S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

The Programme has not been assigned a rating. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes and/or Reset Notes (where relevant) will be calculated by reference to EURIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

Joint Arrangers and Dealers

BNP Paribas **UniCredit**

The date of this Base Prospectus is 13 February 2023.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129, and UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA).

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

Neither the Dealers nor any of their respective affiliates have authorised this Base Prospectus or any part thereof. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

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 Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any 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 any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any 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 Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any 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 Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the SFA) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any 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 Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any 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 or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Italy, France and Belgium), the United Kingdom, Switzerland, Japan and Singapore, see "*Subscription and Sale*".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2020 and 31 December 2021 (respectively, the **2020 Audited Consolidated Financial Statements** and the **2021 Audited Consolidated Financial Statements** and together the **Audited Consolidated Financial Statements**), (ii) the unaudited consolidated interim financial statements of the Issuer for the six months ended 30 June 2021 and 30 June 2022 (respectively, the **Unaudited Consolidated First Half Financial Report as at 30 June 2021** and the **Unaudited Consolidated First Half Financial Report as at 30 June 2022** and together the **Unaudited Consolidated First Half Financial Reports**) and (iii) the unaudited consolidated interim financial data at 30 September 2022 of the FinecoBank Group (the **Consolidated Interim Financial Report as at 30 September 2022 – Press Release**) included in the Issuer's press release dated 8 November 2022.

The Unaudited Consolidated First Half Financial Report as at 30 June 2021 has been subject to review by Deloitte & Touche S.p.A. (**Deloitte**), FinecoBank Group's external auditor for the 2013-2021 nine-year period. The Unaudited Consolidated First Half Financial Report as at 30 June 2022 has been subject to review by KPMG S.p.A. (**KPMG**), FinecoBank Group's external auditor for the 2022-2030 nine-year period.

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (**IFRS**) as adopted by the EU and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15.

The Unaudited Consolidated First Half Financial Reports have been prepared in accordance with IFRS as adopted by the EU applicable to interim financial reporting, International Accounting Standards 34, Interim Financial Reporting.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, all references to:

- *U.S. dollars*, *U.S.$* and *$* refer to United States dollars;
- *Sterling* and £ refer to pounds sterling; and
- *Euro*, *euro* and *€* refer to 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.

References to a **billion** are to a thousand million.

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

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

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

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes 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;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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 any 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.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the Issuer*" and other sections of this Base Prospectus. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in Italy and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the form of Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	FinecoBank S.p.A.
Issuer Legal Entity Identifier (LEI):	549300L7YCATGO57ZE10
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Description:	Euro Medium Term Note Programme
Joint Arrangers:	BNP Paribas UniCredit Bank AG
Dealers:	BNP Paribas UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act

	2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Principal Paying Agent:	Citibank, N.A., London Branch
Programme Size:	Up to €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars and any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable from time to time to the issue of Non-Preferred Senior Notes, Non-Preferred Senior Notes must have a minimum maturity of not less than twelve months. Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable from time to time to the issue of Subordinated Notes, Subordinated Notes must have a minimum maturity of 5 years.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in bearer form as described in "*Form of the Notes*".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Reset Notes	Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the relevant Final Terms (or, in the case of Exempt Notes, Pricing Supplement). Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the relevant Final Terms (or, in the case of Exempt

Notes, Pricing Supplement) by reference to a mid-market swap rate, as adjusted for any applicable margin, in each case, as may be specified in the relevant Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (**ISDA**), and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the form of Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Exempt Notes:

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Dual Currency Notes*:* Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Notes: The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Notes redeemable in instalments: The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The form of Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or (in the case of Senior Notes or Non-Preferred Senior Notes only) at the option of the Issuer due to a MREL Disqualification Event, as described in Condition 5.6 (*Issuer Call due to MREL Disqualification Event*) and/or (in case of Subordinated Notes only) at the option of the Issuer for regulatory reasons, as described in Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*), at the option of the Issuer as described in Condition 5.7 (*Clean-up redemption at the option of the Issuer*) and/or (in the case of Senior Notes or Non-Preferred Senior Notes only) at the option of the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Other than following an Event of Default, any redemption of Senior Notes and Non-Preferred Senior Notes or Subordinated Notes prior to their stated maturity in accordance with the Terms and Conditions of the Notes (including early redemption for taxation reasons or early redemption for regulatory reasons) will be subject to the provisions of, respectively, Condition 5.14 (*Conditions to Early Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes*) and Condition 5.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes*).

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes:

Notes will be issued in such denominations as may be specified in the form of Final Terms (**Specified Denomination**) provided that (i) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Senior Note

	shall be Euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), (ii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Subordinated Note shall be Euro 200,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), and (iii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Non-Preferred Senior Note shall be Euro 150,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.
Taxation:	Subject to certain conditions, all payments principal (if applicable) and of interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of any present or future taxes, duties, assessment or governmental charges of whatever nature, imposed or levied by or on behalf of any Tax Jurisdiction (subject to certain customary exceptions), unless such withholding or deduction is required by law. In that event, the Issuer will pay (subject as provided in Condition 6 (*Taxation*) such additional amounts in respect of principal, in case of Senior Notes only not qualifying at such time as liabilities that are eligible to meet the MREL Requirements (if permitted by the Regulatory Capital Requirements), and interest, in case of all other Notes, as will result in receipt by the Noteholders, the Couponholders and the Receiptholders of such amounts as would have been received by them had no such withholding or deduction been required.
Negative Pledge:	The terms of the Notes will not contain a negative pledge provision.
Cross Default:	The terms of the Notes will not contain a cross default provision.
Status of the Notes:	Notes may be issued by FinecoBank on a subordinated basis (as Subordinated Notes) or unsubordinated basis (as Senior Notes or Non-Preferred Senior Notes), as specified in the relevant Final Terms.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than obligations ranking junior to the Senior Notes from time to time (including Non-Preferred Senior Notes and any further obligations permitted by law to rank, or expressed to rank, junior to the Senior Notes, on or following the Issue Date), if any) of the Issuer, from time to time outstanding, as described in Condition 2.1 (*Status of the Senior Notes*).
Status of the Non-Preferred Senior Notes:	The Non-Preferred Senior Notes (being Notes intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-*bis* of the Italian Consolidated

Banking Act) constitute direct, unconditional, unsubordinated, and unsecured and non-preferred obligations of the Issuer, ranking junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank in their terms, senior to the Non-Preferred Senior Notes, including claims arising from excluded liabilities within the meaning of Article 72a(2) of the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended from time to time (the **CRR**), *pari passu* without any preferences among themselves, and with all other present or future obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Non-Preferred Senior Notes and in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-*bis*, letter c-*bis* of the Italian Consolidated Banking Act, as described in Condition 2.2 (*Status of the Non-Preferred Senior Notes*).

Status of the Subordinated Notes:

Subject as set out below, the Subordinated Notes (being notes 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 Regulations), including any successor regulations, and Article 63 of the CRR) constitute unconditional, subordinated unsecured obligations of the Issuer and, (subject to Condition 2.3 (*Status of the Subordinated Notes*)), rank (i) after all unsubordinated, unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) 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 relevant Subordinated Notes; (ii) at least *pari passu* and without any preferences 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 relevant Subordinated 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 relevant Subordinated Notes.

In the event the Subordinated Notes of any Series do not qualify or cease to qualify, in their entirety, as own funds in the form of Tier 2 capital, such Subordinated Notes and any relative Receipts and Coupons shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer, *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 items (*elementi di fondi propri*) 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 relevant Subordinated Notes (which do not qualify or have so ceased to qualify, in their entirety, as own funds in the form of Tier 2 capital) and senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*), as described in Condition 2.3 (*Status of the Subordinated Notes*).
Variation:	With respect to (i) any Series of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL Disqualification Event occurs, and if Variation is specified as being applicable in the form of Final Terms, or (ii) all Notes, if Variation is specified as being applicable in the form of Final Terms, in order to ensure the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption 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 holders of the relevant Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Paying Agents and the holders of the Notes of that Series (or such other notice periods as may be specified in the form of Final Terms), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.
Rating:	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the form of Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Approval and Listing:	The Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that is the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date hereof to be admitted to the Official List and trading on the regulated market of Euronext Dublin. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the

	Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The form of Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, Italian Law. See Condition 15 (*Governing Law and Submission to Jurisdiction*).
Benchmark discontinuation:	Notwithstanding the provisions in Condition 3.3 (*Interest on Floating Rate Notes*) or Condition 3.2 (*Interest on Reset Notes*), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.4(b) *(Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 3.4(c) (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 3.4(d) (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (all as defined in the Conditions).
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Italy, France and Belgium), the United Kingdom, Switzerland, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*").
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the form of Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

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

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

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

The risks below have been classified into the following categories:

Risks relating to the Issuer's financial position

Risks relating to the Issuer's 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 Issuer's financial position

Risks related to the impact of global macro-economic factors

The FinecoBank Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Each of these factors can change the level of demand for the Issuer's products and services, the credit quality of its customers, debtors and counterparties, the interest rate margin between lending and borrowing costs and the value of its investment and trading portfolios and can influence the Issuer's balance sheet and economic results.

In particular, the Russia-Ukraine war started in February 2022 with the invasion of Ukraine by Russia. The extent of the consequences of this war with regard to energy price increases and inflation as a whole on the one hand and trade restrictions and sanctions on the other hand, as well as counteractions and the duration of such a conflict are not foreseeable at this time. This conflict could have significant adverse effects on the European economy, inflation and the stability of international financial markets. However, as of the date of this Base Prospectus, the Issuer is not directly exposed to Russian assets affected by the conflict, and undirect exposure represented by guarantees received under pledge-backed financing transactions are of insignificant amount.

High levels of uncertainty are also due to the sustainability of the sovereign debt of certain countries, including Italy, and the related, repeated shocks to the financial markets. European political uncertainties also remain a source of potential setback for the recovery.

Furthermore, the current macroeconomic situation is affected by: (i) the impact of viral pneumonia known as "Coronavirus" (**COVID-19**) on global growth and individual countries. In particular, 2020 has been marked by the global spread of COVID-19, which led the world economy to a profound economic contraction; (ii) the

U.S.-driven trend toward protectionism; (iii) the rapid growth of credit in the Chinese economy and the risk of a downward pressure on Chinese property investment causing an outright contraction in housing sales and investment; (iv) the developments associated with Brexit; (v) future developments in the European Central bank (**ECB**) and U.S. Federal Reserve monetary policies and the policies implemented by various countries, including those aimed at promoting competitive devaluations of their currencies; and (vi) constant change in the global and European banking sector, which has led to a progressive reduction in the spread between lending and borrowing rates.

With reference to the exit of the United Kingdom from the single market on 1 January 2021, changes in the relationship between the UK and the EU may affect the business of the Issuer and the Group. On 29 March 2017, the UK invoked Article 50 of the Treaty on the European Union and officially notified the EU of its decision to withdraw from the EU. On 31 January 2020, the UK withdrew from the EU and the transition period ended on 31 December 2020 at 11 pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK.

The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

Furthermore, the FinecoBank Group's primary market is Italy. Therefore, its business is particularly sensitive to changes in the Italian economy and adverse macroeconomic conditions in Italy. In particular, there are considerable uncertainties around the future growth of the Italian economy. The political uncertainty and persistence of adverse economic conditions in Italy, or a slower recovery in Italy compared to other Organisation for Economic Co-operation and Development (**OECD**) nations could have an adverse effect on the FinecoBank Group's business, cost of borrowing, results of operations or financial condition, as well as on the value of its assets, and could result in further costs related to write-downs and impairment losses. In addition, 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 FinecoBank Group's operating results, capital and liquidity position, financial condition and prospects as well as on the marketability of the Notes. If sentiment towards the banks and/or other financial institutions operating in Italy were to deteriorate materially, or if FinecoBank's ratings and/or the ratings of the sector were to be further adversely affected, this may have an adverse impact on the FinecoBank Group. In addition, such change in sentiment or reduction in ratings 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 FinecoBank.

However, material adverse effects on the business and profitability of the FinecoBank Group may result from further developments in terms of monetary policy and/or additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the markets where the FinecoBank Group operates and, as recently experienced, a pandemic emergency). In addition, the FinecoBank Group's performance is affected by factors such as investor confidence, financial market liquidity, the availability and cost of borrowing on the capital markets, all of which are by their very nature, connected to the general macroeconomic situation. The global economic recovery may be further impacted by potential new rounds of restrictions that might be introduced by countries across the world, with the risk of further slowing down the expected recovery.

Adverse changes in the above factors, particularly at times of economic-financial crisis, could increase the FinecoBank Group's cost of funding, with a material adverse impact on the business, financial condition and results of operations of FinecoBank and/or the FinecoBank Group.

Risks exposure to sovereign debt

FinecoBank Group's results are and will be exposed to sovereign debtors, in particular to Italy and certain major European countries. Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. With reference to FinecoBank's sovereign exposures in debt, the book value of sovereign debt securities as at 30 June 2022 recognised in the caption "Financial assets designated at fair value through other comprehensive income" and in "Financial assets measured at amortised cost" amounted to €18,240,992 thousand: Italy with €7,921,561 thousand; Spain with €4,733,175 thousand; Germany with €171,405 thousand; France with €1,455,908 thousand; USA with €653,515 thousand; Austria with €669,324 thousand, Ireland with €934,190 thousand, the United Kingdom with €52,738 thousand, Belgium with €717,999 thousand, Portugal with €381,188 thousand, Switzerland with €35,178 thousand, Saudi Arabia with €90,038 thousand, Chile with €214,686 thousand, China with €165,397 thousand, Latvia with €29,725 thousand and Iceland with €14,965 thousand. As at 30 June 2022, FinecoBank is also exposed to debt securities issued by sovereign entities which are classified as "Other financial assets mandatorily at fair value" for €76 thousand.

As at 30 June 2022, investments in debt securities issued by sovereign states accounted for 50.6% of FinecoBank's total assets. There were no structured debt securities among the sovereign debt securities held by FinecoBank. FinecoBank is therefore exposed to fluctuations in the price of the public debt securities. Tensions or volatility in the government bond market could negatively impact on FinecoBank's financial position and performance. See also "*Credit and counterparty risks"* below.

Credit and counterparty risks

In carrying out its activity, the Issuer is exposed to credit risk, or the risk that loans may not be repaid at maturity due to the deterioration of the debtor's financial condition, resulting in a partial or full write-down. This risk is always inherent in traditional lending operations regardless of the type of credit facility. The main reasons for default lie in the borrower's lack of autonomous ability to ensure the repayment of the debt.

FinecoBank is also exposed to counterparty risk, or the risk that the risk that a counterparty to a transaction eventually fails to settle the transaction itself. Counterparty risk may, for example, arise from: (i) entering into derivative contracts; (ii) purchasing and selling securities, futures, or currencies; or (iii) holding third-party securities.

FinecoBank' engages in relatively limited lending to its retail clients, with only €4.3 million in net exposure to impaired loans outstanding to its retail clients as of 30 June 2022 (and a ratio of impaired loans to total loans to ordinary customers of 0.1 per cent. as of such date). Choices concerning the investment of FinecoBank's liquidity are governed by a prudential approach aimed at containing credit risk and mainly involve the subscription of Eurozone government bonds, supranational entities and local authorities, in addition to bonds issued by UniCredit S.p.A. (**UniCredit**) subscribed until 2017 (**UniCredit Bonds**). For further information, please refer to "*Material Contracts*" under section "*Description of the Issuer*".

FinecoBank's credit and counterparty risk is inherently connected to the insolvency risk of these entities, and changes in the creditworthiness of any of these entities could have a material adverse effect on FinecoBank's business, results of operations and financial condition. Counterparties' failure to comply with a large number of transactions or one or more transactions of a significant amount would have a materially negative impact on FinecoBank Group's activity, financial condition and operating results.

Risks associated with the Issuer's rating

FinecoBank is rated by S&P, which is established in the European Union and registered under the CRA Regulation as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA webpage.

In determining the rating assigned to FinecoBank, the rating agency considers and will continue to review various indicators of FinecoBank's creditworthiness, including (but not limited to) the FinecoBank Group's performance, profitability and its ability to maintain its consolidated capital ratios within certain target levels. If FinecoBank fails to achieve or maintain any or a combination of more than one of the indicators, this may result in a downgrade of FinecoBank's rating by S&P.

Any rating downgrade of FinecoBank or other entities of the FinecoBank Group would be expected to increase the re-financing costs of the FinecoBank Group and may limit its access to the financial markets and other sources of liquidity, all of which could have a material adverse effect on its business, financial condition and results of operations and, as a consequence, on the rating which might be assigned to the Notes.

Risks relating to the Issuer's business activity and industry

Interest rate risk

Interest rate risk consists of changes in interest rates affecting the net interest margin and the net present value of assets and liabilities, as well as the present value of future cash flows.

FinecoBank is particularly exposed to changes in interest rates to the extent that these fluctuations may have an impact on the interest that FinecoBank earns on its portfolios of UniCredit bonds and part of its government bonds portfolio – in particular floating rate bonds and hedged fixed rate investments. FinecoBank's euro sight deposits are currently remunerated at zero rate whilst part of its assets are linked to floating rates. FinecoBank has diversified its portfolio of government bonds since 2015.

As a result, an increase in interest rates may generate greater earnings on the liquidity FinecoBank has advanced to its counterparties, but it could also increase its cost of funding by increasing the amounts it pays customers for their deposits. Conversely, a decline in interest rates will likely decrease amounts FinecoBank earns from its counterparties. Due to these factors, any change in interest rates will likely have an impact on FinecoBank's results, but positive trends in one part of its business due to interest rates may not be offset by other aspects of its business. Any lack of alignment between the interest income that FinecoBank earns and the interest expense it pays could have a material adverse effect on its business, results of operations and financial condition.

FinecoBank measures and monitors interest rate risk daily, for further information please refer to "*Strategy*" under section "*Description of the Issuer*". Interest rate risk has an impact on all owned positions resulting from strategic investment decisions.

Market risk

FinecoBank is exposed to market risk, namely the risk of loss arising from unfavorable market movements affecting the value of the securities held for trading or in its bank portfolio. The Issuer is subject to market risk also when acting as systematic internaliser on stocks, bonds, and foreign exchange markets, acting as a direct counterparty for its clients' orders (or by trading on our own behalf) without transmitting the orders through third-party exchanges and acting as structurer of OTC derivative products (including CFDs and daily options).

Market risk in FinecoBank is defined through two sets of limits:

- Overall measures of market risk (e.g. VaR): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;

- Granular measures of market risk (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with the overall limits; in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular

sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

As at 30 June 2022, FinecoBank's daily TB VaR limit was €162,000 and the average TB VaR was €116,000.

Although FinecoBank's exposure as direct counterparty to its clients is limited in accordance with applicable rules, significantly unfavorable market movements affecting the value of the securities held in its brokerage or banking portfolio could have a material adverse effect on its business, results of operations and financial condition.

Liquidity risk

FinecoBank is exposed to liquidity risk, namely the risk of being unable to meet its payment obligations as they come due or of properly managing cash inflows and outflows, which may consist of funding liquidity risk (arising from the inability to obtain funds without negatively affecting its business or its financial condition) or market liquidity risk (arising from the inability to sell financial assets in the market without incurring in losses caused by the illiquidity of the markets). Although FinecoBank's available liquidity (which consists mainly of amounts deposited by its customers in current and demand accounts or term deposits) has historically been stable and it employs liquidity management policies and risk management policies that are specifically aimed at preventing cash imbalances, future extraordinary events may result in a mismanagement of its cash flows, and this could have a material adverse effect on FinecoBank's business, results of operations and financial condition. For further information, please refer to "*Key Competitive Strengths*" under section "*Description of the Issuer*".

Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the targeted longer term refinancing operations introduced in 2014 (*i.e.*, TLTRO), the targeted longer term refinancing operations II introduced in 2016 (*i.e.*, TLTRO II) and the targeted longer term refinancing operations III announced in 2019 (**TLTRO III**).

It is not possible to predict the duration and the amounts with which these liquidity support operations can be repeated in the future with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect FinecoBank's business, operating results and the economic and financial position of the Issuer.For further information, see "*Measures to counter the impact of the "COVID-19" virus*" under section "*Business Description*".

Exchange rates risk

The effects of exchange rate trends could have a significant influence on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the FinecoBank Group. This exposes FinecoBank to the risks connected with converting foreign currencies and carrying out transactions in foreign currencies. Any negative change in exchange rates and/or a hedging policy that turns out to be insufficient to hedge the related risk could have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the FinecoBank Group.

FinecoBank's exchange rate risk mainly derives from a mismatching of assets and liabilities in USD. The exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

As part of its treasury activities, FinecoBank collects funds in foreign currencies, mainly US dollars, through customer current accounts, subsequently investing these funds with primary credit institutions and in US dollar denominated securities (in particular US Treasuries).

The financial statements and interim reports of the FinecoBank Group are prepared in Euro and reflect the currency conversions necessary to comply with the IFRS.

Competition

FinecoBank operates in highly competitive markets in the banking industry, particularly in the market for the provision of banking and investing services through online and mobile channels, as well as competition for services provided through financial advisors. The adoption of the MiFID II and the Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (MiFIR) has impacted FinecoBank's business by imposing increased transparency obligations in FinecoBank's brokerage and investing services businesses. Competition in FinecoBank's industry is increasing and may further intensify in the future, as a result of possible changes in the applicable legal framework, consumer trends, rapid changes in technology, actions of its competitors and the possible consolidation in the financial industry or the entry of new competitors. Moreover, deterioration in the macroeconomic environment may further increase competitive pressure, imposing greater pressure on prices and reducing the volume of financial activity. There is particular competition in the online and mobile banking and investment sectors, stemming from demand by customers for new and increasingly sophisticated services as well as marketing policies implemented by certain of FinecoBank's competitors that try to entice new clients through the offer of services and products at below cost or by paying interest rates on deposits that are in excess of their cost of funding. In recent years, a number of direct banks with a focus on online distribution have entered the Italian market and a number of more traditional banks have placed increase focus on expanding their online and mobile banking options.

Any failure by FinecoBank to effectively respond to increasing competitive pressures could lead to a loss of business and/or a failure to win new business, which could decrease its revenues and have a material adverse effect on its business, results of operations and financial condition.

Risks associated with pending legal proceedings

FinecoBank is involved in a number of legal disputes, the most significant of which are proceedings related to: (i) claims by its customers alleging unlawful conduct by its financial advisors, for which it may be held jointly and severally liable; (ii) claims by its customers alleging breaches by it of applicable banking and financial rules of conduct or other contractual breaches; and (iii) claims by former financial advisors for severance pay. See "*Litigation and Other Proceedings*" under section "*Description of the Issuer*".

The losses that it may eventually suffer as a result of pending legal proceedings may materially exceed the amounts that it has set aside as provisions for these claims. Moreover, there is the risk that the competent supervisory authorities may initiate regulatory proceedings that may lead to sanctions against FinecoBank in the event that it is found to have breached the rules and regulations applicable to its business. Any such proceedings may also have a negative impact on FinecoBank's reputation. The occurrence of any of these events could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

Risk related to the development of the banking sector regulation and the changes in the regulation on the solution of banking crisis

The FinecoBank Group is subject to regulation and supervision in the various countries in which it operates. Legislation in many of these countries has been enacted or proposed with a view to increasing financial and consumer credit regulations and supervisory bodies have broad jurisdiction over many aspects of FinecoBank Group, including capital adequacy requirements, marketing and selling practices, advertising, licensing, terms

of business and permitted investments. In particular, FinecoBank Group is required to hold a license for its operations and is subject to regulation and supervision by the Italian Securities and Exchange Commission (**CONSOB**) and the Bank of Italy. In addition, starting from January 2022, FinecoBank is subject to the supervision of the ECB under the Single Supervisory Mechanism (as described below). The banking laws to which FinecoBank Group is subject govern the activities in which banks may engage and are designed to maintain the safety and soundness of banks and limit their exposure to risk. In addition, FinecoBank Group must comply with financial services laws that govern its marketing and selling practices. Extensive regulations are already in place and new regulations and guidelines are introduced relatively frequently. Any changes in the regulatory framework, in how such regulations are applied, or any further implementation of new requirements for financial institutions and banks, may have a material effect on the business and operations of FinecoBank Group.

Each of FinecoBank and its subsidiaries, as the case may be, also faces the risk that the relevant supervisory body may find it has failed to comply with applicable regulations 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 FinecoBank Group. In addition, any significant regulatory action against a member of the FinecoBank Group 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 FinecoBank Group's business, results of operations and its financial condition, which would be reflected in the FinecoBank Group's consolidated results.

Regulatory framework

Starting from 1 January 2014, a part of the supervisory rules has been amended on the grounds of the directions deriving from the so-called Basel III agreements, mainly with the purpose to significantly strengthen the minimum capital requirements, the restraint of the leverage degree and the introduction of policies and quantitative rules for the mitigation of the liquidity risk of the banks. In terms of banking and prudential regulation, FinecoBank is also subject to the BRRD, as amended by the BRRD II (as defined below), as implemented into the Italian jurisdiction by Legislative Decrees no. 180 and 181 of 16 November 2015, as subsequently amended, as well as the relevant technical standards and guidelines from EU regulatory bodies (i.e. the European Banking Authority (**EBA**)), which, *inter alia*, provide for capital "Minimum Requirement for Own Funds and Eligible Liabilities" (**MREL**) requirements for credit institutions, recovery and resolution mechanisms.

Should FinecoBank not be able to meet the capital and/or MREL requirements imposed by the applicable laws and regulations, it may be required to maintain higher levels of capital, which could potentially impact its credit ratings, and funding conditions and which could limit FinecoBank's growth opportunities.

For a description of the MREL requirements applicable to FinecoBank Group, see "*The Bank Recovery and Resolution Directive*" under section "*Regulatory Aspects*".

As at the date of this Base Prospectus, banks must meet the own funds requirements provided by article 92 of the CRD IV Regulation, as amended by the CRR II: (i) the Common Equity Tier 1 Ratio must be equal to at least 4.5 per cent. of the total risk exposure amount of the bank; (ii) the Tier 1 Ratio must be equal to at least 6 per cent. of the total risk exposure amount of the bank; (iii) the Total Capital Ratio must be equal to at least 8 per cent. of the total risk exposure amount of the bank; and (iv) the Leverage Ratio must be equal to at least 3 per cent. of the Tier 1 Ratio divided by the total exposures amount of the bank. In addition to the minimum regulatory requirements, banks must meet the Combined Buffer Requirement provided by the CRD IV Directive.

As for the capital requirements, the prudential provisions in force provide for minimum capitalisation levels. In particular, the banks are required to have a Common Equity Tier 1 (CET 1) ratio at least equal to 7% of the risk-weighted assets, a Tier 1 ratio equal at least to 8.5% of the risk-weighted assets and a Total Capital ratio

equal at least to 10.5% of said risk-weighted assets (such minimum levels include the so-called "capital conservation buffer", namely a "buffer" of further mandatory capitalisation).

FinecoBank, as a bank of significant importance for the European financial system, is subject to direct supervision of the ECB. Following the Supervisory Review and Evaluation Process (**SREP**) the ECB provides, on an annual basis, a final decision of the capital requirement that FinecoBank must comply with at consolidated level.

On 15 December 2022, FinecoBank received the final decision of the ECB concerning the capital requirements that FinecoBank Group has to meet. From 1 January 2023, FinecoBank Group shall respect the following capital requirements (including the Total SREP Capital Requirement (**TSCR**)) on a consolidated basis:

REQUIREMENTS	**CET1**	**T1**	**TOTAL CAPITAL**
A) Pillar 1 requirements	4.50%	6.00%	8.00%
B) Pillar 2 requirements	0.98%	1.31%	1.75%
C) TSCR (A+B)	**5.48%**	**7.31%**	**9.75%**
D) Combined Buffer requirement, of which:	2.50%	2.50%	2.50%
1. Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
2. Institution-specific Countercyclical Capital Buffer (CCyB)	0.004%	0.004%	0.004%
E) Overall Capital Requirement (C+D)	**7.98%**	**9.81%**	**12.25%**

At the end of the administrative process related to the determination of the MREL, in August 2021, FinecoBank has received from the Bank of Italy, in agreement with the Single Resolution Board (SRB), the SRB's decision.

The Issuer shall comply with MREL on a consolidated basis, starting from January 2024, with an intermediate binding target from 1 January 2022. In particular, FinecoBank must comply with a MREL requirement at a level of 18.33% of the Total Risk Exposure Amount (i.e. TREA) – 20.83% including the Combined Buffer Requirement – and of 5.18% of Leverage Ratio Exposure (i.e. LRE), with an intermediate target at 4.11% from 1 of January 2022. In order to comply with the requirements and the calculation of other eligible liabilities issued by FinecoBank, currently there is no subordination requirement in relation to the issuance of eligible MREL instruments which are not intended to qualify as capital.

For a description of the Pillar 2 requirements applicable to FinecoBank Group please see "*Basel III and CRD IV Package"* and *"Capital Requirements*" under section "*Regulatory Aspects*".

As for the liquidity, the European rules envisage, *inter alia*, a short-term indicator (**Liquidity Coverage Ratio** or **LCR**), aimed at creating and maintaining a liquidity buffer able to allow the survival of the bank for a period of thirty days in case of serious market stress, and a structural liquidity indicator (**Net Stable Funding Ratio** or **NSFR**) with a temporal horizon longer than a year, introduced to ensure that the assets and liabilities have a sustainable maturity structure.

The FinecoBank Group's liquidity and long-term viability depends on many factors including its ability to successfully raise capital and secure appropriate financing. Should FinecoBank Group not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package (as amended by the Banking Reform Package (as defined below)), it may be

required to maintain levels of capital which could potentially impact its credit ratings, funding conditions and limit FinecoBank's growth opportunities.

Both indicators of the FinecoBank Group are widely above the minimum limits provided by the abovementioned provisions of law.

Furthermore, the Banking Reform Package (as defined below) introduced the financial Leverage Ratio, which measures the coverage degree of Class 1 Capital compared to the total exposure of the FinecoBank Group. Such index is calculated by considering the assets and exposures out of the budget. The objective of the indicator is to contain the degree of indebtedness in the balance sheets of the banks. The ratio is subject to a minimum regulatory limit of 3%.

As to the temporary measures introduced by the ECB to counter the economic effects of COVID-19 outbreak, the Issuer decided to not benefit from the temporary capital and operational relief provided for by the CRR Quick Fix and the ECB Communication (as defined below). Therefore, the progressive expiry of said temporary measures, scheduled to complete by January 2023, would not affect the Issuer's capital and liquidity stability.

For a description of the temporary measures adopted to contrast the economic effects of the COVID-19 pandemic, see "*Measures to counter the impact of the "COVID-19" virus*" under section "*Regulatory Aspects*".

Depending on the outcomes of the legislative process underway in Europe, FinecoBank might be compelled to adapt to changes in the regulations (and in their construction and/or implementation procedures adopted by the supervisory authorities), with potential adverse effects on its assets, liabilities and financial situation. In particular, investors 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 FinecoBank, with consequent inability of FinecoBank to comply with the requirements imposed and with a potential negative impact, even material, on the business and capital, economic and financial conditions.

In light of that, FinecoBank has in place specific procedures and internal policies - in accordance with the regulatory frameworks defined by domestic and European supervisory authorities and consistent with the regulatory framework being implemented at the European Union level - to monitor, among other things, liquidity levels and capital adequacy. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect FinecoBank's results of operations, business and financial condition. In particular, as at the date of this Base Prospectus, the EU Banking Reform Package (as defined below) has been recently implemented in Italy and there is uncertainty as to its implementation and interpretation, and it is not yet clear what impact the changes introduced by the Banking Reform Package (as defined below) will have on FinecoBank's operations. Moreover, as at the date of this Base Prospectus, the Bank of Italy's authority to introduce a systemic risk buffer and borrower based measures has recently been introduced into the Circular No. 285 (as defined below) and there is uncertainty as to how (and if) the Italian regulator would exercise such authority. Therefore, it is not yet clear what impact these regulatory changes will have on FinecoBank's operations. Finally, as at the date of this Base Prospectus, the 2021 Reform Package (as defined below) has recently been proposed by the European Commission and there is uncertainty as to adoption and implementation, and it is not yet clear how and to what extent this legislative proposal may impact on FinecoBank's operations.

For a description of the Banking Reform Package (as defined below) applicable to FinecoBank Group please see "*Revision to the CRD IV Package*" under section "*Regulatory Aspects*".

In this context, a few other relevant provisions are the implementation of Directives 2014/49/EU (*Deposit Guarantee Schemes Directive*) of 16 April 2014 and the adoption of the (EU) Regulation no. 806/2014 of the European Parliament and the Council of 15 July 2014 (*Single Resolution Mechanism Regulation,* – so-called

SRMR), which may determine a significant impact on the economic and financial position of the FinecoBank and the FinecoBank Group, as such rules set the obligation to create specific funds with financial resources that shall be provided, starting from 2015, by means of contributions by the credit institutions.

The ordinary annual contribution for the year 2022 to the Single Resolution Fund was paid and accounted for by FinecoBank. "Administrative Expenses b) other administrative expenses" of FinecoBank's income statement, amounting to €7,601 thousand.

Investors should also consider that it cannot be excluded that in the future FinecoBank may be required, in particular in light of external factors and unforeseeable events outside its control and/or after further requests by the supervisory authority, to implement capital enhancement interventions; there is also a risk that FinecoBank may not be able to achieve and/or maintain (both at individual and consolidated level) the minimum capital requirements provided for by the legislation in force from time to time or established from time to time by the supervisory authority in the times prescribed therein, with potential material negative impact on its business and capital, economic and financial condition.

In these circumstances, it cannot be excluded that FinecoBank may be subject to extraordinary actions and/or measures by competent authorities, which may include, *inter alia*, the application of the resolution tools as per the **BRRD Decrees** (as defined below). In particular, the impact of the resolution tools provided for by the BRRD Decrees on the rights of the Noteholders are further described in the section *"Regulatory Aspects".* In this respect, please see "*The Bank Recovery and Resolution Directive*" and "*Revision to the BRRD framework*" under section "*Regulatory Aspects*".

On 15 October 2013, the Council of the European Union adopted the Council Regulation (EU) No. 1024/2013 granting specific tasks to the ECB as per prudential supervision policies of credit institutions (the **SSM Regulation**) in order to establish a single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**). From 4 November 2014, the SSM Regulation has given the ECB, in conjunction with the national regulatory authorities of the Eurozone and participating Member States, direct supervisory responsibility over "banks of significant importance" in the Eurozone.

In this respect, "banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (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; (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.

Notwithstanding the fulfilment of the relevant criteria, the ECB, on its own initiative after consulting with each national competent authority or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards. FinecoBank has been classified as a significant supervised entity within the meaning of Regulation (EU) No. 468/2014 of the ECB of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the ECB and each national competent authority and with national designated authorities (the **SSM Framework Regulation**) and, as such, is subject to direct prudential supervision by the ECB in respect of the functions granted to ECB by the SSM Regulation and the SSM Framework Regulation.

For further details, please see "*ECB Single Supervisory Mechanism*" under section "*Regulatory Aspects*".

Risks connected with FinecoBank's Budget

On 16 December 2021, FinecoBank's Board of Directors approved the 2022 Budget (the **Budget**) which contains a number of strategic, capital and financial objectives (collectively, the **Budget Objectives**).

FinecoBank's ability to meet the Budget Objectives depends on a number of assumptions and circumstances, some of which are outside FinecoBank's control, including those relating to developments in the macroeconomic and political environments in which it operates, developments in applicable laws and regulations and assumption related to the effects of specific actions or future events which FinecoBank can partially manage. Assumptions by their nature are inherently subjective and the assumptions underlying the Budget Objectives could turn out to be inaccurate, in whole or in part, which may mean that FinecoBank is not able to fulfil the Budget Objectives. If this were to occur, FinecoBank's actual results may differ significantly from those set forth in the Budget Objectives, which could have a material adverse effect on FinecoBank's business, results of operations, financial condition or capital position.

Risks connected with the entry into force of new accounting principles and changes to applicable accounting principles

The FinecoBank Group is exposed to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, in the future, the FinecoBank Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years and this could lead the FinecoBank Group to having to restate financial data published previously.

Risks related to the internal control of the Issuer

Risk of failure or malfunction of FinecoBank's information technology systems, which could harm its business and reputation

FinecoBank relies on its information technology systems - many of which have been developed internally - for the provision of its banking, brokerage and investing services to its customers, as well as for the management of nearly all its internal administrative, financial, accounting and control systems. These information technology systems are fundamental to FinecoBank's operations and are a key element of its success and its ability to generate revenues hinges on these systems functioning properly and efficiently. Although FinecoBank has adopted business continuity and disaster recovery plans, and implemented other protections for these systems, its information technology systems may experience outages, delays or other failures or malfunctions due to design flaws, malicious attacks, hacking or other reasons. Any such failures may lead to customer dissatisfaction or otherwise damage its reputation. Any failure of, or attack upon, FinecoBank's systems, including failures that are only temporary in nature, may have a material adverse effect on its business, results of operations or financial condition.

Outsourcing risk

Pursuant to service agreements between FinecoBank and certain service providers, FinecoBank's clients are able to access branches and ATMs of UniCredit and its subsidiaries (**UniCredit Group**) for the purposes of carrying out their banking transactions without being charged any additional fees, and FinecoBank considers this a key aspect of the banking services it offers. See "*Material Contracts*" under section "*Description of the Issuer*".

Any error, delay, interruption or termination, whether in whole or in part, in the services provided by such service providers could impair the timing and quality of FinecoBank's services to its customers.

In addition, FinecoBank outsources certain material back-office activities and services to third-party service providers (including affiliates of the UniCredit Group). In particular, FinecoBank outsources services for the maintenance of certain operating systems, transmission over certain interbank payment networks, credit card payment processing, and for certain aspects of its customer care. Any interruption in the services provided by third parties or breach by these third parties of their commitments could impair the timing and quality of the

services received by FinecoBank's customers. FinecoBank is also exposed to the risk that external vendors that provide services to it may incur delays or interruptions in fulfilling their obligations or that they become subject to bankruptcy or insolvency proceedings, which could cause delays and inefficiencies in FinecoBank's business activities that could have a negative impact on its clients.

The occurrence of any of these events could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

Operational risk

FinecoBank is exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, claims from customers, unauthorized or illegal transactions by employees or operational errors, including clerical or record-keeping errors or errors resulting from malfunctioning computers or telecommunication systems. In addition, FinecoBank's dependence upon automated systems to record and process its transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses which are difficult to detect. FinecoBank may also be subject to disruptions of its operating systems, arising from events that are wholly or partially beyond its control (computer viruses, hacking from outsiders, electrical or telecommunication outages, force majeure events), which may give rise to service outages and to losses or liability to it. As at 30 June 2022, FinecoBank's average risk loss was €8.3 thousand and total operating losses amounted to approximately €2 million. With specific reference to its brokerage services, FinecoBank relies on a technical infrastructure developed and managed internally to process and execute its clients' trading orders. This infrastructure is connected to the financial markets through dedicated systems that are not managed by FinecoBank. Errors or technical disruptions of FinecoBank's infrastructure or malfunctions in the communication systems between FinecoBank and the financial markets, as well as problems in relation to the settlement of orders, may give rise to service outages and to losses or liability to FinecoBank. The net commissions FinecoBank earned from its brokerage services amounted to €56.9 million (12.3% of its operating income) and €69.7 million (17.3% of its operating income) in the first half of 2022 and 2021, respectively.

There can be no assurance that FinecoBank's system of controls will not suffer losses from operational risk and that these losses will not be material. Should one or more of the aforementioned issues arise, this could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

FinecoBank may not be able to maintain the quality of its services and respond in a timely manner to market trends

FinecoBank seeks to provide its clients with integrated banking, brokerage and investing services through its network of financial advisors, its website and applications, or "apps" for smartphones and tablets, in a way that makes it a "one stop solution" for their financial and investment needs.

FinecoBank believes that its results depend, *inter alia*, on its continuing ability to develop and offer innovative products and services that are efficient and easy to use, anticipating and responding in a timely manner to new market trends and its clients' needs. FinecoBank must also maintain the quality of its operating platforms, investment products and network of financial advisors. FinecoBank continuously invests in these improvements, while also monitoring the range of its financial products to ensure they offer consistently high quality.

If FinecoBank is unable to maintain the quality and efficiency of its operating platforms, services and investment products or cannot anticipate or respond in a timely manner to new market trends, technological developments or changes in its clients' needs, any of these failures could lead to problems in attracting and retaining customers or financial advisors. These problems, in turn, could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

FinecoBank's ability to successfully implement its growth strategy in a timely manner is not assured

FinecoBank's ability to increase its total financial assets, revenues and improve its profitability depends upon the successful execution of its business strategy. FinecoBank's business strategy is based on the following objectives: (i) growing and strengthening its network of financial advisors, (ii) continuing to improve its "one-stop solution" business model, which is important to maintaining the stability of its "transactional" liquidity levels (*i.e.*, the liquidity deposited by its customers to cover their day-to-day banking needs), (iii) taking advantage of the operating leverage offered by its internal platforms and industry-specific know-how, (iv) introducing a wide range of initiatives to move progressively towards a more capital efficient business model, and (v) conceiving and implementing the best solutions to satisfy client needs.

If FinecoBank is unable to successfully implement its growth strategies, this could have a material adverse effect on its business, results of operations and financial condition.

FinecoBank's risk management policies may be inadequate

FinecoBank has risk management policies in place that deploy internal procedures and qualified personnel for the purpose of monitoring, identifying and managing risks, including liquidity risk, credit and counterparty risk and market risk. These risk management policies and procedures provide for corrective measures to be applied when these risks may cause us to trip certain thresholds that are defined by regulatory and banking authorities or FinecoBank's board of directors. Some of the methods FinecoBank uses to monitor and manage these risks involve incorporating observations of historical market trends into the development of statistical models for the identification, monitoring, control and management of risks. However, these methodologies and strategies may be inadequate; in particular, the monitoring of risks related to financial products that are not traded on regulated markets may be difficult to perform, and FinecoBank could experience losses that are unforeseen or that are in excess of the losses foreseen by its models. In the event that its risk management policies and procedures for the identification, monitoring and management of risks are found to be inadequate, the assessments and assumptions underlying those policies and procedures are found to be inaccurate, or if it is exposed to risks that it did not foresee or accurately quantify, FinecoBank may suffer losses, including material losses, that could have a material adverse effect on its business, results of operations and financial condition.

The destruction, loss, theft or unauthorized disclosure of FinecoBank's customers' personal data could expose it to reputational harm, lawsuits or administrative fines or sanctions

In carrying out its business, FinecoBank collects, stores and processes its customers' personal data. FinecoBank has defined internal procedures and technical measures to ensure compliance with all applicable rules and regulations concerning the processing of personal data (for further information, please refer to "*Information Technology*" under section "*Description of the Issuer*").

These measures notwithstanding, FinecoBank remains exposed to the risk that this data may be corrupted, lost, stolen, disclosed or used for purposes other than those that have been authorized by its customers, whether by its employees or third parties. Any destruction, damage, loss, theft or unauthorized disclosure of its customers' data could have a material adverse impact on its business, whether in reputational terms or through exposure to lawsuits or administrative sanctions and fines by regulatory authorities, including the Italian Authority for the Protection of Personal Data, which could, in turn, have a material adverse effect on FinecoBank's business, results of operations and financial condition.

FinecoBank may not be able to adequately protect its intellectual property rights in foreign markets

FinecoBank has registered the domain names "FinecoBank.it" and "mobile.FinecoBank.it" for the purpose of providing services to its customers through browsers and mobile devices. However, other investment service providers outside of Italy have registered domain names including the word "Fineco" using other top-level domain names (such as ".com," ".fr" and ".es"). The use of these domain names by other service providers

may make it difficult for FinecoBank to expand into other markets. FinecoBank also faces the risk that actions by these foreign investment service providers may be confused with actions undertaken by it, which could have a negative impact on its reputation, its business, results of operations and financial condition.

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

Risks associated with volatile market conditions

Over the last few years, global financial markets have been characterised by significant volatility and uncertainty. High market volatility has an impact on FinecoBank's investing and brokerage services and the other fee-based services that it provides to its clients, even during short periods. In particular, persistent levels of high volatility may lead to significant fluctuations in the market prices for stocks and bonds, as well as the values and/or yields of financial assets. These conditions could lead to a reduction in trading activity by FinecoBank's clients that are more risk-averse, with only a partial, temporary recovery in trading as these risk-adverse clients sell their holdings. Conversely, periods of exceptionally low volatility may also lead to a decline in trading activity and therefore revenues in FinecoBank's brokerage operations if those customers hold onto investments and do not make additional purchases. Market volatility may also lead to a decline in the value of assets under management and the fees FinecoBank earns in its investment management services.

Although FinecoBank has historically been able to generate positive returns, even in atypical and volatile market conditions, it can provide no assurance that future volatility or market conditions will not be accompanied by a decrease in the number and volume of trades carried out by customers of its brokerage business or in the value of its assets under management, each of which could have a material adverse effect on its business, results of operations and financial condition.

The assumptions and valuation methods underlying FinecoBank's financial statements are influenced by macro-economic and other factors that are not predictable and may be subject to change in the future

In accordance with IFRS, the assets, liabilities, costs and revenues reported in FinecoBank's financial statements are based on valuations, estimates and projections, especially with regard to assets and liabilities, the market value of which is not easily obtainable from other sources. Making these estimates entails inherent uncertainty in calculating the values of some of its most significant balance sheet items. The quantification of these amounts can be significantly influenced by Italian and international economic conditions, the performance of financial markets, prevailing rate trends, price fluctuations, actuarial estimates and, more generally, its counterparties' creditworthiness. The most significant balance sheet items that are subject to these estimates include: (i) fair value of financial instruments that are not quoted in active markets, (ii) loans and receivables and other financial assets and liabilities, (iii) severance payments and other benefits owed to employees and personal financial advisors, (iv) provisions for risks and charges, (v) goodwill and other intangible assets, and (vi) current tax liabilities and deferred taxes.

FinecoBank's valuation process is particularly complex due to continued macroeconomic and market uncertainties, related levels of volatility in the financial markets and significant indicators of credit quality deterioration. The parameters and information employed in estimating the aforementioned values are thus subject to unforeseeable changes, which may affect the value of these items, and consequently, FinecoBank's financial statements.

Furthermore, FinecoBank can provide no assurance that future changes in the fair value of financial instruments or their classification, including due to changes in market conditions or a reduction in trading volumes, will not adversely affect their trading prices, which could have a material adverse effect on its business, results of operations and financial condition.

FinecoBank relies on the quality and performance of its financial advisors and its ability to recruit and retain them

FinecoBank's network of financial advisors is a key component of its distribution channel and consisted of 2,887 financial advisors as of 30 June 2022. Despite the fact that FinecoBank seeks to select, recruit and train its financial advisors carefully, it can provide no assurance that there will not be errors in its assessment of potential candidates or shortcomings in its training programs, each of which could result in poor performance by these financial advisors and which could have a negative impact on its customers' experience and its reputation.

FinecoBank's ability to recruit and retain financial advisors is a key element in the achievement of its targets for the growth of its network over the next few years. The market for financial advisors is highly competitive, and FinecoBank employs several strategies to recruit potential candidates, including offering compensation packages and incentives that are consistent with market standards. Should FinecoBank's strategies or the packages it offers be inadequate to meet these recruitment targets, or if FinecoBank's competitors were to offer more generous compensation packages to recruit financial advisors (whether in its network or that it may be targeting for recruitment), FinecoBank may experience difficulty in recruiting new financial advisors or it may lose financial advisors with significant client portfolios to its competitors. In addition, FinecoBank is also exposed to the risk that, as a banking institution, it may be subject to future regulatory limitations on the compensation of its financial advisors. Such regulations may not impact competitors that are not subject to them, which could also impact FinecoBank's ability to recruit and retain financial advisors. Any negative developments concerning the performance of its financial advisors or its ability to recruit and retain them could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

Improper acts committed by FinecoBank's financial advisors in the course of their professional activities could give rise to liability for FinecoBank and/or damage its reputation

From time to time, FinecoBank has been and is the subject of lawsuits that have been brought against it in connection with allegedly improper or illegal activities by its financial advisors, including fraud. FinecoBank has been impleaded as a defendant in these matters, despite the fact that the financial advisors are not employees of FinecoBank, because, under Italian law, an intermediary (like FinecoBank) that employs the services of a financial advisor is jointly and severally liable for any damage that the financial advisor may cause to clients or third parties arising out of the provision of such services, even if the financial advisor in question is convicted by a criminal court. The incurrence of such liabilities could not or could only partially covered by insurance policies that FinecoBank has in place, or could have a material adverse effect on FinecoBank business, results of operations and financial condition. For further information, please refer to "*Litigation and Other Proceedings*" under section "*Description of the Issuer*".

Although FinecoBank continuously monitors its financial advisors' compliance with applicable laws and its high standards concerning fairness and transparency, its financial advisors may be negligent in the manner in which they distribute FinecoBank's products and services or they may willfully engage in fraudulent or illegal activity. As a consequence, in addition to the adverse financial impact that FinecoBank may suffer through lawsuits, regulatory authorities may also bring administrative proceedings against it and may apply administrative sanctions, which could include fines or restrictions on its ability to conduct certain aspects of its business. Any such action could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

Irrespective of the underlying merits of the claim, the initiation of legal or administrative proceedings against any of FinecoBank's financial advisors could also have a material adverse effect on its image and market reputation and, more generally, on the level of trust between FinecoBank and its customers. Any such action could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

FinecoBank may suffer reputational damage if the products and services it offers perform poorly

FinecoBank offers its clients a wide range of investment products that are issued and managed by a variety of independent financial institutions that its management seeks to select and monitor based on objective criteria, but which are not under its control, as well as a range of internally and externally managed UCITS funds offered by FinecoBank's subsidiary, Fineco Asset Management DAC (**Fineco AM** or **FAM**). FinecoBank also offers brokerage services which provide clients access to a wide range of trading products that include, among others, stocks, bonds, ETFs, futures, options, CFDs (on currencies, indices, stocks, bonds, and commodities), and structured products (i.e. certificates). The poor performance of any such products or services offered by FinecoBank, Fineco AM or any external financial institutions and that are placed with FinecoBank's clients, whether due to the investment strategies employed by these relevant institution, or, more generally, due to the poor performance of its clients' investment portfolios as a result of advice rendered by its financial advisors, may damage FinecoBank's reputation, particularly if such poor performance relates to its guided products and services. This could have an adverse effect on FinecoBank's ability to attract and retain clients, and in turn, on its business, results of operations and financial condition.

FinecoBank's success depends on the quality and retention of key personnel

FinecoBank's success depends on its ability to attract, train and retain qualified personnel, as well as its ability to retain key members of its management team. FinecoBank's current management team (particularly its Chief Executive Officer and certain other key managers) has significant experience in the industries in which it operates and has played a crucial role in its growth and the continued development of its business. FinecoBank has invested considerable time and resources in training its personnel and internally developing the skills that are required for the operation of its business and it offers its top management compensation and incentives to help ensure their continued service to it. However, if FinecoBank were to lose significant personnel or if any key member of its management were to terminate his or her relationship with FinecoBank and it was not able to find a suitable replacement for such personnel or management in a timely manner, its business, results of operations and financial condition could suffer.

Environmental risk

The FinecoBank Group is sensitive to issues related to climate change. The environmental impact of the FinecoBank Group is mainly attributable to the direct consumption of resources at its operating offices and the offices of its financial advisors. Furthermore, physical and transitional events along with change in customer preferences as part of the adjustment process towards a low-emission economy could have an adverse effect on the Issuer's results of operations and financial condition. For further information, please refer to "*Environmental Initiatives*" under section "*Description of the Issuer*".

Risks associated with taxes applicable to transactions or investments in securities

The decision by FinecoBank's existing and prospective clients to invest in securities is affected, among other things, by taxes that may be applied to any transactions or investments in securities. For example, a 0.2 per cent. proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for securities deposited in Italy, including the Notes (see "*Taxation-Taxation in the Republic of Italy-Stamp duty*"). The imposition of new taxes, or an increase in existing taxes on financial transactions or investments in securities in the markets in which FinecoBank operates, particularly in the Italian, European or U.S. markets, could have a negative impact on its business, and on its brokerage business in particular. For instance, the imposition in February 2013 of a financial transaction tax, or "Tobin tax" on certain transactions in equity securities of publicly-listed Italian issuers caused a decline in brokerage transactions for Italian equity securities and a shift toward other markets. The imposition of similar taxes elsewhere, or an increase in existing financial transaction taxes may have a material adverse effect on FinecoBank's business, results of operations and financial condition.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer may, at its option, redeem Notes for tax reasons in the circumstances described in, and in accordance with, Condition 5.2 (*Redemption for tax reasons*) or, if so specified in the form of Final Terms, in accordance with Condition 5.4 (*Redemption at the option of the Issuer (Issuer Call)*). If so specified in the form of Final Terms, the Issuer may also, at its option, redeem Senior Notes or Non-Preferred Senior Notes in the circumstances described in, and in accordance with, Condition 5.6 (*Issuer Call due to MREL Disqualification Event*).

Any redemption of the Senior Notes or Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption prescribed by the then applicable MREL Requirements (including any requirements applicable to such redemption due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL Requirements). See "*Early redemption and purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted*" below for further information.

Any redemption of the Subordinated Notes is subject to the prior approval of the relevant Competent Authority and in accordance with applicable laws and regulations and the relevant Regulatory Capital Requirements, including Articles 77 and 78 of the CRR. See "*Early redemption and purchase of the Subordinated Notes may be restricted*" and "*Regulatory classification of the Subordinated* Notes" and "*Regulatory classification of the Subordinated* Notes" below for further information.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing

spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

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

Waiver of set-off

As specified in Condition 2.1 (*Status of the Senior Notes)*, Condition 2.2 (*Status of the Non-Preferred Senior Notes*) and Condition 2.3 (*Status of the Subordinated Notes*), each holder of, respectively, a Senior Note, a Non-Preferred Senior Note and/or a Subordinated Note will unconditionally and irrevocably waive any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction, in respect of such Senior Note, Non-Preferred Senior Note and/or Subordinated Note.

The Notes have limited Events of Default and remedies

The Events of Default in respect of the Notes, being events upon which the Noteholders may declare the Notes to be immediately due and payable, are limited to circumstances in which the Issuer becomes subject to *Liquidazione Coatta Amministrativa* as defined in the Italian Consolidated Banking Act as set out in Condition 8 (*Event of Default and Enforcement*). Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Notes, including the payment of any interest, the Noteholders will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Notes may be subject to loss absorption or any application of the general bail-in tool

The BRRD contemplates that the Notes may be subject to non-viability loss absorption, in addition to the application of the general bail-in tool.

Risks applicable to the Senior Notes and the Non-Preferred Senior Notes

The Issuer's obligations under Non-Preferred Senior Notes rank junior to unsecured and unsubordinated preferred obligations of the Issuer

The Issuer's obligations under Non-Preferred Senior Notes will be unsecured, unsubordinated and non-preferred obligations of the Issuer and will rank junior in priority of payment to Senior Liabilities and claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes) of the Issuer for money borrowed or raised or guaranteed by the Issuer, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Non-Preferred Senior Notes may pay a higher rate of interest than comparable Senior Notes which are preferred,

there is a real risk that an investor in Non-Preferred Senior Notes will lose all or some of his investment should the Issuer become insolvent.

Qualification of Non-Preferred Senior Notes as "strumenti di debito chirografario di secondo livello"

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

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

Senior Notes and Non-Preferred Senior Notes could be subject to Issuer Call due to MREL Disqualification Event

If at any time an MREL Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes, and the form of Final Terms for the Senior Notes or the Non-Preferred Senior Notes of such Series specify that Issuer Call due to MREL Disqualification Event is applicable, the Issuer may (subject to the provisions of Condition 5.14 (*Conditions to Early Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes*) elect to redeem all, but not some only, of the Senior Notes or the Non-Preferred Senior Notes of such Series. An MREL Disqualification Event means that, at any time, all or part of the aggregate outstanding nominal amount of such Series of Senior Notes or Non-Preferred Senior Notes is or will be excluded fully or partially from the eligible liabilities available to meet the MREL Requirements, subject to as set out in Condition 5.6 (*Issuer Call due to MREL Disqualification Event*). The applicability of the minimum requirements for eligible liabilities is subject to the application, in the EU and in Italy, of the new EU regulatory framework under BRRD II, SRM II Regulation, CRD V Directive and CRR II (the **EU Banking Framework**).

If the Senior Notes or the Non-Preferred Senior Notes are to be so redeemed, there can be no assurance that Noteholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Senior Notes or Non-Preferred Senior Notes being redeemed. Potential investors should consider reinvestment risk in light of other investments available at that time. In addition, an MREL Disqualification Event could result in a decrease in the market price of the Notes.

See also "*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*" above.

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

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

In addition, under the EU Banking Framework, the early redemption or purchase of Senior Notes and Non-Preferred Senior Notes which qualify as eligible liabilities available to meet MREL Requirements is subject to the prior approval of the Competent Authority where applicable from time to time under the applicable laws and regulations. The EU Banking Framework states that the Competent Authority would approve an early redemption of the Senior Notes and Non-Preferred Senior Notes where any of the following conditions is met:

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

(b) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such redemption or purchase, exceed the requirements for own funds and eligible liabilities set out in the CRD V Directive or the BRRD II (or, in either case, any relevant provisions of Italian law implementing the CRD V Directive or, as appropriate, the BRRD II) or the CRR II by a margin that the Competent Authority considers necessary; or

(c) the Issuer has demonstrated to the satisfaction of the Competent Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR II and in the CRD V Directive for continuing authorisation.

The Competent Authority shall consult with the Relevant Resolution Authority before granting that permission, as requested pursuant to the EU Banking Framework.

Senior Notes and Non-Preferred Senior Notes may be subject to modification without Noteholders' consent

If Variation is specified as being applicable in the circumstances described in (i) and/or (ii) below in the relevant Final Terms for any Series of Senior Notes or Non-Preferred Senior Notes then (i) at any time an MREL Disqualification Event occurs and/or as applicable (ii) in order to ensure the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption 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 holders of the Senior Notes or Non-Preferred Senior Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Paying Agents and the holders of the Notes of that Series (or such other notice periods as may be specified in the relevant Final Terms), at any time vary the terms of Senior Notes or Non-Preferred Senior Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

Senior Notes and Non-Preferred Senior Notes may be subject to loss absorption on any application of the general bail-in-tool

Investors should be aware that Senior Notes and Non-Preferred Senior Notes may be subject to write-down or conversion into equity capital instruments on any application of the general bail-in tool, which

may result in such holders losing some or all of their investment. The exercise of the general bail-in tool, or any other power under the BRRD or any suggestion or perceived suggestion of such exercise could, therefore, materially adversely affect the rights of holders Senior Notes and Non-Preferred Senior Notes, the price or value of their investment in any such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes. Any shares issued to holders of Senior Notes or Non-Preferred Senior Notes upon any such conversion into equity capital instruments may be of little value at the time of conversion and may also be subject to any future application of the BRRD.

Risks applicable to Subordinated Notes

An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency.

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which are subordinated but to a lesser degree than the obligations under the relevant Subordinated Notes) of the Issuer for money borrowed or raised or guaranteed by the Issuer, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is an enhanced risk that an investor in Subordinated Notes will lose all or some of their investment should the Issuer become insolvent.

In no event will holders of Subordinated Notes be able to accelerate the obligations of the Issuer under Subordinated Notes held by them; such holders will have claims only for amounts then due and payable on their Subordinated Notes. After the Issuer has fully paid all deferred interest on any issue of Subordinated Notes and if that issue of Subordinated Notes remains outstanding, future interest payments on that issue of Subordinated Notes will be subject to further deferral.

Subordinated Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer or may be the subject to the burden sharing requirements of the EU State aid framework and the BRRD

Investors should be aware that, in addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Subordinated 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 Subordinated Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

As a result, Subordinated Notes may be subject to a partial or full write-down or conversion to Common Equity Tier 1 instruments of the Issuer or one of the FinecoBank Group's entities or another institution.

Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption (or the general bail-in tool) may be applied to Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, Subordinated Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption (or the general bail-in tool) is applied to the Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Subordinated Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

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 introduces point c-*ter*) under Article 91 paragraph 1-*bis*) of the Italian Consolidated Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Consolidated 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 Subordinated Notes of the Issuer (which qualify or qualified at any time either in whole or in part as own fund 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 items. 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 Subordinated 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 Subordinated Notes which, at the relevant time, qualify as own funds items (in whole or in part). Furthermore, if the Subordinated 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, may be subject to the burden sharing requirements of such legislation.

Early redemption and purchase of the Subordinated Notes may be restricted

Any early redemption or purchase of Subordinated Notes is subject to compliance with the then applicable Regulatory Capital Requirements, 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 relevant Subordinated Notes (in each case to the extent, and in the manner, required by the then applicable Regulatory Capital Requirements, including Articles 77 and 78 of the CRR, 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 Regulatory Capital Requirements 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 relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRR or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(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 Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*), if there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2" capital at individual or consolidated basis (in whole or in part), provided that, in case of exclusion in part, such exclusion is not as a result of amortisation or any limits on the amount of "Tier 2" capital applicable to the Issuer and, in respect of any redemption of the relevant Subordinated 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 sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated 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 classified 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 Regulatory Capital Requirements 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 any Subordinated Notes early or at any time. Holders of Subordinated Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

Regulatory classification of the Subordinated Notes

The intention of the Issuer is for Subordinated Notes to qualify on issue as "Tier 2 capital" for regulatory capital purposes.

Although it is the Issuer's expectation that the Subordinated Notes qualify on issue as "Tier 2 capital", there can be no representation that this is or will remain the case during the life of such Subordinated Notes. If there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2 capital" and, in respect of any redemption of the relevant Subordinated Notes proposed to be made prior to the fifth anniversary of their Issue Date, both of the following conditions are met: (i) the Competent Authority (as defined in Condition 5.15 (*Conditions to*

Early Redemption and Purchase of Subordinated Notes)) 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 Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes, the Issuer will (if so specified in the form of Final Terms) have the right to redeem the Subordinated Notes in accordance with Condition 5.3 (*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 Regulatory Capital Requirements and laws and regulations, including Articles 77 and 78 of the CRR. There can be no assurance that holders of such Subordinated 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 relevant Notes, as the case may be. In addition, the occurrence of such event could result in a decrease in the market price of the Notes.

Also, under certain circumstances, the Issuer may, as specified in the risk factor "*Subordinated Notes may be subject to modification without Noteholders' consent*" below, at any time vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Subordinated Notes.

Subordinated Notes may be subject to modification without Noteholders' consent

If Variation is specified as being applicable in the relevant Final Terms, in order to ensure the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*) of for any Series of Subordinated 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 holders of the Subordinated Notes of that Series), and having given not less than 30 nor more than 60 days' notice to the Paying Agents and the holders of the Notes of that Series (or such other notice periods as may be specified in the relevant Final Terms), at any time, vary the terms of Subordinated Notes so that they remain or, as appropriate, become, Qualifying Subordinated Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Subordinated Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Subordinated Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of the Reset Notes

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

Risks applicable to certain types of Exempt Notes

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest payable in respect of the Notes being determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) the effect of any multiplier or leverage factor that is applied to the Relevant Factor is that the impact of any changes in the Relevant Factor on the amounts of principal or interest payable will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of their investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of their Notes could result in such investor losing all of their investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

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

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

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

No-gross up on withholding tax

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Risk relating to the governing law of the Notes

The Terms and Conditions of the Notes are governed by Italian law and Condition 15 (*Governing Law and Submission to Jurisdiction*) provides that contractual and non-contractual obligations arising out or in connection with them are governed by, and shall be construed in accordance with, Italian Law, pursuant to EU and Italian private international law provisions as applicable from time to time. Article 59 of Law No. 218 of 31 May 1995 (the **Italian Private International Law**) provides that "other debt securities" (*titoli di credito*) are governed by the law of the State in which the security was issued". The Temporary Global Notes or the Permanent Global Notes, whether issued in classic global note or new global note form, as the case may be, representing the Italian Law Notes are signed by the Issuer in the United Kingdom and are, thereafter, delivered to Citibank, N.A., London Branch as Principal Paying Agent, being the entity in charge of, inter alia,

completing, authenticating and delivering the Temporary Global Note and Permanent Global Notes and (if required) authenticating and delivering Definitive Notes.

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

The regulation and reform of "benchmarks" may adversely affect the value of Floating Rate Notes or Reset Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including the Euro Interbank Offered Rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. 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, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of "benchmarks", the contribution of input data to a "benchmark" and the use of a "benchmark" within the EU and it, among other things, (i) requires 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 or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (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 Financial Conduct Authority (**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 any Notes linked to or referencing a rate or index deemed to be a benchmark, including, without limitation, any Floating Rate Notes linked to or referencing EURIBOR or any Reset Notes referencing the relevant swap rate for swap transactions in the Specified Currency (as specified in the relevant Final Terms or Pricing Supplement with respect to the relevant Reset Notes), in particular, if the methodology or other terms of the benchmark are 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 relevant benchmark.

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. The euro risk free-rate working group for the euro area has also published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Furthermore, in order to address systemic risk, on 2 February 2021 the Council of the European Union approved the final text of the Regulation (EU) 2021/168 amending the Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements

for certain benchmarks in cessation, and amending Regulation (EU) No 648/2012. The new framework delegates the Commission to designate a replacement for benchmarks qualified as critical under the Regulation 2016/2011, where the cessation or wind-down of such a benchmark might significantly disrupt the functioning of financial markets within the European Union. In particular, the designation of a replacement for a benchmark should apply to any contract and any financial instrument as defined in Directive 2014/65/EU that is subject to the law of a Member State. In addition, with respect to supervised entities, Regulation (EU) 2021/168 extends the transitional period for the use of third-country benchmarks until 2023 and the Commission may further extend this period until 2025 by a delegated act to be passed before 15 July 2023. On 10 February 2021 the Council of the European Union adopted the Regulation (EU) 2021/168 that was published in the Official Journal on 12 February 2021 and entered into force on the following day.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark, (ii) triggering changes in the rules or methodologies used in the benchmarks, and/or (iii) leading to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Reset Notes which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the relevant EURIBOR rate is to be determined under the Terms and Conditions of the Notes, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the relevant EURIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Reset Notes which reference the relevant EURIBOR.

The "*Terms and Conditions of the Notes*" provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the "*Terms and Conditions of the Notes*" and the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 3.4 (*Benchmark Discontinuation*).

Any such consequences could have an adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating

Rate Notes or Reset Notes. Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Floating Rate Notes or Reset Notes linked to or referencing a benchmark.

Risks related to the market generally

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

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Base Prospectus:

(a) the 2021 Audited Consolidated Financial Statements including the information set out at the following pages in particular:

Information incorporated	**Page numbers**
Consolidated Balance Sheet	113-114
Consolidated Income Statement	115
Consolidated Statement of Comprehensive Income	116
Statement of Changes in Consolidated Shareholders' Equity	117
Consolidated Cash Flow Statement	118-119
Notes to the Consolidated Accounts	121-340
Annexes	343-346
Certification	349
Report of the External Auditors	351-358
Financial Statements of FinecoBank	
Balance Sheet	361-362
Income Statement	363
Statement of Comprehensive Income	364
Statement of Changes in Shareholders' Equity	365
Cash Flow Statement	366-367
Notes to the Accounts	369-577
Annexes	579-582
Certification	585
Report of the External Auditors	587-593

The document is available at the following link: https://images.finecobank.com/docs/pdf/pub/corporate/investors/bilanci-e-relazioni/Accounts-and-reports-2021.pdf.

(b) the 2020 Audited Consolidated Financial Statements including the information set out at the following pages in particular:

Information incorporated	**Page numbers**
Consolidated Balance Sheet	107-108
Consolidated Income Statement	109
Consolidated Statement of Comprehensive Income	110
Statement of Changes in Consolidated Shareholders' Equity	111
Consolidated Cash Flow Statement	112-113
Notes to the Consolidated Accounts	115-316
Annexes	319-321
Certification	323
Report of the External Auditors	325-331
Financial Statements of FinecoBank	
Balance Sheet	335-336
Income Statement	337
Statement of Comprehensive Income	338
Statement of Changes in Shareholders' Equity	339
Cash Flow Statement	340-341
Notes to the Accounts	343-535
Annexes	537-539
Certification	541
Report of the External Auditors	543-549

The document is available at the following link: https://images.finecobank.com/docs/pdf/pub/corporate/investors/Reports-Accounts-2020.pdf.

(c) the Unaudited Consolidated First Half Financial Report as at 30 June 2022 including the information set out below:

Information incorporated	**Page numbers**
Entire Document	All

The document is available at the following link: https://images.finecobank.com/docs/pdf/pub/corporate/investors/bilanci-e-relazioni/Consolidated-First-Half-Financial-Report-as-at-June-30-2022.pdf.

(d) the Unaudited Consolidated First Half Financial Report as at 30 June 2021 including the information set out below:

Information incorporated	**Page numbers**
Entire Document	All

The document is available at the following link: https://images.finecobank.com/docs/pdf/pub/corporate/investors/bilanci-e-relazioni/Consolidated-First-Half-Financial-Report-as-at-June-30-2021.pdf.

(e) the Issuer's press release dated 8 November 2022 relating to the approval of the Consolidated Interim Financial Report as at 30 September 2022 – Press Release including the information set out at the following pages in particular:

Information incorporated	**Page numbers**
Condensed Balance Sheet.....	9-10
Condensed Income Statement.....	11-12
Exposures in Securities Issued by Sovereign States, Supranational Institutions and Agencies.....	13
Operating Structure.....	14
Basis of Preparation	14-16
Declaration of Financial Reporting Officer	17

The document is available at the following link: https://images.fineco.it/pub/pdf/chi-siamo/comunicati-ipo/2022-11-08-CS-Resocontointermedio3Q22_ENG.pdf.

(f) the Issuer's press release dated 7 February 2023 relating to the Board of Directors' approval for the results as at 31 December 2022 (the **Results as at 31 December 2022 – Press Release**) including the information set out below:

Information incorporated	**Page numbers**
Condensed Balance Sheet	10-11
Condensed Income Statement	12-13
Declaration of the Nominated Official in charge of drawing up company accounts.....	15

The document is available at the following link: https://images.fineco.it/pub/pdf/chi-siamo/comunicati-ipo/2023-02-07-PR_FY22_results.pdf.

The Issuer confirms that the profit estimates contained in the Results as at 31 December 2022 – Press Release incorporated by reference herein have been compiled and prepared on the basis which is both comparable with historical financial information of the Issuer and consistent with the Issuer's accounting policies.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Any websites save for those listed as documents incorporated by reference above, included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus. Other than the information incorporated by reference, the content of these websites has not been scrutinised or approved by the competent authority.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Any reference in this section to "Form of Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the form of Final Terms, a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

(a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the form of Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and

(b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the form of Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification or confirmation (based on the certifications it has received in accordance with its rules and procedures) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the form of Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The form of Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 8 (*Event of Default and Enforcement*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 12 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the form of Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the form of Final Terms.

FORM OF FINAL TERMS

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE, OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes and which have a denomination of €100,000 (or its equivalent in any other currency) or more.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **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; or (iii) not a qualified investor as defined in the Prospectus Regulation. 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.][1]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the

1 Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

2 Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**) - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.][3]

[*Date*]

FINECOBANK S.p.A.

Legal entity identifier (LEI): [549300L7YCATGO57ZE10]

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

under the €2,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 13 February 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus [for the purposes of the Prospectus Regulation][4] (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein [for the purposes of the Prospectus Regulation] and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on www.euronext.com/en/markets/Dublin.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

[3] Legend to be included on front of the Final Terms if the Issuer needs to re-classify the Notes as "capital markets products other than prescribed capital markets products" and "Specified Investment Products" pursuant to Section 309B of the SFA and the Notes are to be offered in Singapore. Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[4] All Prospectus Regulation related languages to be removed in the event Final Terms are used for an issuance outside the scope of the Prospectus Regulation.

1.	Issuer:		FinecoBank S.p.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[ ] *(N.B. Senior Notes must have a minimum denomination of €100,000 (or equivalent). In the case of Non-Preferred Senior Notes, Notes must have a minimum denomination of €150,000 (or equivalent). In the case of Subordinated Notes, Notes must have a minimum denomination of €200,000 (or equivalent)).* *(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."")* *(Note – where multiple denominations above [€150,000] or equivalent are being used the following sample wording should be followed:* *"[€150,000] and integral multiples of [€1,000] in excess thereof up to and including [€299,000]. No Notes in definitive form will be issued with a denomination above [€299,000]."")*

			(Note – where multiple denominations above [€200,000] or equivalent are being used the following sample wording should be followed: *"[€200,000] and integral multiples of [€1,000] in excess thereof up to and including [€399,000]. No Notes in definitive form will be issued with a denomination above [€399,000]")*
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*.)
8.	Maturity Date:		*Specify date or for Floating Rate Notes* – Interest Payment Date falling in or nearest to [*specify month and year*] *(Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable to the issue of Notes by the Issuer, Non-Preferred Senior Notes must have a maturity of not less than twelve months and Subordinated Notes must have a minimum maturity of five years).*
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] per cent. to be reset on [ ] [and [ ]] and every [ ] anniversary thereafter] [[[ ] month EURIBOR] +/- [ ] per cent. Floating Rate] [Zero coupon] (see paragraph [14]/[15]/[16]/[17] below)
10.	Redemption[/Payment] Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount[5]]/[[●] in case of Zero coupon Notes]]
11.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 16 below and identify there*][Not Applicable]

[5] Redemption shall occur at at least 100% of the par value

12.	Put/Call Options:		[Issuer Call] [Regulatory Call] (*N.B. Only relevant in the case of Subordinated Notes*) [Investor Put] (*N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes*) [Issuer Call due to MREL Disqualification Event] (*N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes*) [Issuer Call – Clean-Up Redemption Option] [(see paragraph [20]/[21]/[22]/[23]/[24] below)] [Not Applicable]
13.	(a)	Status of the Notes:	[Senior/Non-Preferred Senior/ Subordinated] Notes
	(b)	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[ ] per Calculation Amount [, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

15.	Reset Note Provisions:		[Applicable/Not Applicable]
	(a)	Initial Rate of Interest:	[ ] per cent. per annum payable in arrear [on each Interest Payment Date]
	(b)	First Margin:	[+/-][ ] per cent. per annum
	(c)	Subsequent Margin:	[[+/-][ ] per cent. per annum] [Not Applicable]
	(d)	Interest Payment Date(s):	[ ] [and [ ]] in each year up to and including the Maturity Date [until and excluding [ ]]
	(e)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[ ] per Calculation Amount][Not Applicable]
	(f)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(g)	First Reset Date:	[ ]
	(h)	Second Reset Date:	[ ]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[ ] [and [ ]]
	(j)	Relevant Screen Page:	[●]/[Not Applicable]
	(k)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(l)	Mid-Swap Maturity	[ ]
	(m)	Day Count Fraction:	[Actual/Actual / Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(n)	Reset Reference Rate Conversion:	[Applicable/Not Applicable]
	(o)	Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(p)	Determination Dates:	[ ] in each year
	(q)	Business Centre(s):	[ ]
	(r)	Calculation Agent:	[Principal Paying Agent] / [ ]
16.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Calculation Agent:	[Principal Paying Agent] / [ ]
(f)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
•	Reference Rate:	[ ] month EURIBOR
•	Interest Determination Date(s):	[ ] *(Second day on which the TARGET2 System is open prior to the start of each Interest Period)*
•	Relevant Screen Page:	[ ] (*If not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this subparagraph (g)*)
•	ISDA Definitions:	[2006 ISDA Definitions]
•	Floating Rate Option:	[ ]
•	Designated Maturity:	[ ]/[Not Applicable] (*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)
•	Reset Date:	[ ] (*In the case of a EURIBOR based option, the first day of the Interest Period*)
(h)	Linear Interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be

			calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(i)	Margin(s):	[+/-] [ ] per cent. per annum
	(j)	Minimum Rate of Interest:	[ ] per cent. per annum
	(k)	Maximum Rate of Interest:	[ ] per cent. per annum
	(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
18.	Change of Interest Basis Provisions:		[Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* (To be completed in addition to paragraphs 14 and 16 (as appropriate) if any fixed to floating or fixed reset rate change occurs)
	–	Switch Option:	[*Applicable – [specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable] (*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 12 (Notices) and deliver such notice to each Agent on or prior to the relevant Switch Option Expiry Date*)
	–	Switch Option Expiry Date:	[ ]
	–	Switch Option Effective Date:	[ ]

PROVISIONS RELATING TO REDEMPTION

19.	Notice periods for Condition 5.2 (*Redemption for tax reasons*):		Minimum period: [30] days Maximum period: [60] days
20.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[[ ] per Calculation Amount][Make-whole Amount] [*Set out appropriate variable details in this pro forma, for example reference obligation*]
	(c)	Reference Bond:	[Insert applicable Reference Bond/FA Selected Bond]
	(d)	Quotation Time:	[11.00 a.m. [London/specify other] time]
	(e)	Redemption Margin:	[[ ] per cent./Not Applicable]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(g)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)
21.	Regulatory Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)* *(N.B. Only relevant in the case of Subordinated Notes)*
	(a)	Early Redemption Amount payable on redemption for regulatory	[[ ] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*)]

		reasons (in the case of Subordinated Notes only and subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRR) as contemplated by Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call))* and/or the method of calculating the same (if required or if different from that set out in Condition 5.8 (*Early Redemption Amounts*):	
22.	Issuer Call due to MREL Disqualification Event:		[Applicable]/[Not Applicable] *(Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)*
	(a)	Early Redemption Amount:	[[ ] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*)]
23.	Investor Put:		[Applicable]/[Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount *(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
24.	Clean-up Call Option:		[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

	(i) Clean-up Call Percentage:	[75 per cent. / [●] per cent]
	(ii) Clean-Up Redemption Amount:	[●]
25.	Final Redemption Amount:	[ ] per Calculation Amount
26.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[ ] per Calculation Amount (*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*) [See also paragraph 21 (*Regulatory Call*)] (*Delete this cross reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Form of Notes:	
	(a) [Form:]	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005[6]] (*N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*)

[6] Include for Notes that are to be offered in Belgium.

	(b) [New Global Note:	[Yes][No]]
28.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 16(c) relates*)
29.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
30.	Variation of Notes:	[Not Applicable]/[Applicable] / [Applicable [only] [in relation to MREL Disqualification Event][and]/[in order to ensure the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*)]
	(a) Notice Period:	[ ]

[**THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of FinecoBank S.p.A.:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading:	[Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and Trading on the regulated market of Euronext Dublin with effect from [ ].] [Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and Trading on the regulated market of Euronext Dublin] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading*.)
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

	Ratings:	[The Notes to be issued [[have been]/[are expected to be rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:][Not Applicable] [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]/[Each of [*defined terms*] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

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

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i)	Reasons for the offer:	[See ["*Use of Proceeds*"] in the Base Prospectus/*Give details*] (*See* [*"Use of Proceeds"*] *wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details*)
(ii)	Estimated net proceeds:	[ ]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[[ ] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]/[Not Applicable]

6. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]

(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]/[Not Applicable]
[(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Date of [Subscription] Agreement:	[ ]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(vi)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
(vii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged"*

		products and no key information document will be prepared, "Applicable" should be specified.)
(viii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(ix)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable]

APPLICABLE PRICING SUPPLEMENT

EXEMPT NOTES OF ANY DENOMINATION

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **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; or (iii) not a qualified investor as defined in the Prospectus Regulation. 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.][7]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]][8]

[MiFID II/UK MiFIR product governance / target market – [*appropriate target market legend to be included*]]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**) - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.][9]

[*Date*]

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[7] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[8] Legend to be included on the front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[9] Legend to be included on front of the Final Terms if the Issuer needs to re-classify the Notes as "capital markets products other than prescribed capital markets products" and "Specified Investment Products" pursuant to Section 309B of the SFA and the Notes are to be offered in Singapore. Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

FINECOBANK S.p.A.

Legal entity identifier (LEI): [549300L7YCATGO57ZE10]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [€2,000,000,000]
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.][10]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 13 February 2023 [as supplemented by the supplement[s] dated [●]] (the **Base Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from www.euronext.com/en/markets/Dublin.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus [dated 13 February 2023 [and the supplement dated [*date*]] which are incorporated by reference in the Base Prospectus].[11]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.*]

1.	(a)	Issuer:	FinecoBank S.p.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]
3.		Specified Currency or Currencies:	[ ]
4.		Aggregate Nominal Amount:	

[10] Include relevant legend wording here for the [EEA][and][UK] if the "Prohibition of Sales" legend and related selling restriction for that regime are not included/not specified to be "Applicable" (because the Notes do not constitute "packaged" products, or a key information document will be prepared, under that regime).

[11] Only include this language where it is a fungible issue and the original Tranche was issued under a Base Prospectus with a different date.

	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[ ] *(N.B. Senior Notes must have a minimum denomination of €100,000 (or equivalent). In the case of Non-Preferred Senior Notes, Notes must have a minimum denomination of €150,000 (or equivalent). In the case of Subordinated Notes, Notes must have a minimum denomination of €200,000 (or equivalent)).*
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*.)
8.	Maturity Date:		[*Specify date or for Floating Rate Notes* - Interest Payment Date falling in or nearest to [*specify month and year*]] *(Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable to the issue of Notes by the Issuer, Non-Preferred Senior Notes must have a maturity of not less than twelve months and Subordinated Notes must have a minimum maturity of five years).*
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] per cent. to be reset on [ ] [and [ ] and every [ ] anniversary thereafter] [[*specify Reference Rate*] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest]

			[Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
12.	Put/Call Options:		[Issuer Call] [Regulatory Call] *(N.B. Only relevant in the case of Subordinated Notes)* [Issuer Call due to MREL Disqualification Event] *(N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)* [Issuer Call – Clean-Up Redemption Option] [Investor Put] *(N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)* [(further particulars specified below)]
13.	(a)	Status of the Notes:	[Senior/Non-Preferred Senior/Subordinated] Notes
	(b)	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[ ] per Calculation Amount [, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]

	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/*specify other*]
	(f)	[Determination Date(s):	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*]
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/*Give details*]
15.	Reset Note Provisions:		[Applicable/Not Applicable]
	(a)	Initial Rate of Interest:	[ ] per cent. per annum payable in arrear [on each Interest Payment Date]
	(b)	First Margin:	[+/-][ ] per cent. per annum
	(c)	Subsequent Margin:	[[+/-][ ] per cent. per annum] [Not Applicable]
	(d)	Interest Payment Date(s):	[ ] [and [ ]] in each year up to and including the Maturity Date [until and excluding [ ]]
	(e)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[ ] per Calculation Amount][Not Applicable]
	(f)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(g)	First Reset Date:	[ ]
	(h)	Second Reset Date:	[ ]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[ ] [and [ ]]
	(j)	Relevant Screen Page:	[●]/[Not Applicable]
	(k)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(l)	Mid-Swap Maturity:	[ ]
	(m)	Day Count Fraction:	[Actual/Actual / Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis]

			[30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(n)	Reset Reference Rate Conversion:	[Applicable/Not Applicable]
	(o)	Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(p)	Determination Dates:	[ ] in each year
	(q)	Business Centre(s):	[ ]
	(r)	Calculation Agent:	[Principal Paying Agent] / [ ]
16.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]] [Not Applicable]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(e)	Calculation Agent:	[Principal Paying Agent] / [ ]
	(f)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
	•	Reference Rate:	[●] month EURIBOR
	•	Interest Determination Date(s):	[ ] *(Second day on which the Target2 System is open prior to the start of each Interest Period)*
	•	Relevant Screen Page:	[ ] (*If not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	(g)	ISDA Determination:	[Applicable/Not Applicable]

(*If not applicable, delete the remaining items of this subparagraph*)

- ISDA Definitions: [2006 ISDA Definitions]
- Floating Rate Option: [ ]
- Designated Maturity: [ ]/[Not Applicable]
  (*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)
- Reset Date: [ ]
  (*In the case of a EURIBOR based option, the first day of the Interest Period*)

(h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(i) Margin(s): [+/-] [ ] per cent. per annum

(j) Minimum Rate of Interest: [ ] per cent. per annum

(k) Maximum Rate of Interest: [ ] per cent. per annum

(l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
[*Other*]

(m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]

17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Accrual Yield: [ ] per cent. per annum

(b) Reference Price: [ ]

(c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [ ]

	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
18.	Index Linked Interest Note:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent:	[Principal Paying Agent] / [ ]
	(c)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
	(f)	Additional Business Centre(s):	[ ]
	(g)	Minimum Rate of Interest:	[ ] per cent. per annum
	(h)	Maximum Rate of Interest:	[ ] per cent. per annum
	(i)	Day Count Fraction:	[ ]
19.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(b)	Calculation Agent:	[Principal Paying Agent] [ ]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]
20.	Change of Interest Basis Provisions:		[Applicable]/[Not Applicable]

		(If not applicable, delete the remaining sub-paragraphs of this paragraph) *(To be completed in addition to paragraphs 14 and 16 (as appropriate) if any fixed to floating or fixed reset rate change occurs)*
–	Switch Option:	[Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s)* in Interest Basis applies]/[Not Applicable] *(The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 12 (Notices) and deliver such notice to each Agent on or prior to the relevant Switch Option Expiry Date)*
–	Switch Option Expiry Date:	[ ]
–	Switch Option Effective Date:	[ ]

PROVISIONS RELATING TO REDEMPTION

21.	Notice periods for Condition 5.2 (*Redemption for tax reasons*):		Minimum period: [30] days Maximum period: [60] days
22.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/[Make-whole Amount/] *specify other*/see Appendix]
	(c)	Reference Bond:	[Insert applicable Reference Bond/FA Selected Bond]
	(d)	Quotation Time:	[11.00 a.m. [London/specify other] time]
	(e)	Redemption Margin:	[[ ] per cent./Not Applicable]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(g)	Notice periods:	Minimum period: [15] days

			Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent*)
23.	Regulatory Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)* (N.B. Only relevant in the case of Subordinated Notes)
	(a)	Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRR) as contemplated by Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*) and/or the method of calculating the same (if required or if different from that set out in Condition 5.8 (*Early Redemption Amounts*):	[[ ] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*)]
24.	Issuer Call due to MREL Disqualification Event:		[Applicable]/[Not Applicable] (Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)
	(a)	Early Redemption Amount:	[[ ] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*)]
25.	Investor Put:		[Applicable]/[Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days

(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)

26. Clean-up Call Option: [Applicable]/[Not Applicable]

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

(i) Clean-up Call Percentage: [75 per cent. / [●] per cent]

(ii) Clean-Up Redemption Amount: [●]

27. Final Redemption Amount: [[ ] per Calculation Amount/*specify other*/see Appendix]

28. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): [[ ] per Calculation Amount/*specify other*/see Appendix]
(*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)
[See also paragraph 23 (*Regulatory Call*)] *(Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable)*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. Form of Notes:

(a) [Form:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in

		accordance with article 4 of the Belgian Law of 14 December 2005[12]]
	(b) [New Global Note:	[Yes][No]]
30.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 16(c) and 18(f) relate*)
31.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
32.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment.	[Not Applicable/*give details*. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
33.	Details relating to Instalment Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Instalment Amount(s):	[*give details*]
	(b) Instalment Date(s):	[*give details*]
34.	Other terms or special conditions:	[Not Applicable/*give details*]
35.	Variation of Notes:	[Not Applicable] / [Applicable] / [Applicable [only] [in relation to MREL Disqualification Event][and]/[in order to ensure the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*)]
36.	Notice Period:	[ ]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of [name of the Issuer]:

By: .....

[12] Include for Notes that are to be offered in Belgium.

Duly authorised

PART B – OTHER INFORMATION

1.	**LISTING**	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market – note this must not be an EEA regulated market*] with effect from [ ].] [Not Applicable]
2.	**RATINGS**	
	Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*]. (*The above disclosure is only required if the ratings of the Notes are different to those stated in the Base Prospectus*)
3.	**INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**	
	[Save for any fees payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]	
4.	**OPERATIONAL INFORMATION**	
	(i) ISIN:	[ ]
	(ii) Common Code:	[ ]
	(iii) CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
	(iv) FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
	(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
	(vi) Delivery:	Delivery [against/free of] payment
	(vii) Names and addresses of additional Paying Agent(s) (if any):	[ ]/[Not Applicable]

(viii)	[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

5. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Date of [Subscription] Agreement:	[ ]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(vi)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
(vii)	Additional selling restrictions:	[Not Applicable/*give details*] (*Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes*)
(viii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged"*

		products and no key information document will be prepared, "Applicable" should be specified.)
(ix)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(x)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The form of Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by FinecoBank S.p.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 13 February 2023 and made between the Issuer, Citibank N.A., London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the form of Final Terms) and the Paying Agents, together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) or, if this Note is a Note which is neither admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the European Economic Area or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the form of Final Terms are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to **form of Final Terms** shall be deemed to include a reference to applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be

deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Agency Agreement (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the relevant Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent, as the case may be). If the Notes are to be admitted to trading on the regulated market of Euronext Dublin, the form of Final Terms will be published on the website of Euronext Dublin. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable via email by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent, as applicable, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the form of Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the form of Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the form of Final Terms, the form of Final Terms will prevail.

In the Conditions, **euro** 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 AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination**(**s**)) specified in the form of Final Terms, provided that (i) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Senior Note shall be Euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), (ii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Subordinated Note shall be Euro 200,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), and (iii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Non-Preferred Senior Note shall be Euro 150,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the form of Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note may also be a Senior Note, a Non-Preferred Senior Note or a Subordinated Note, as indicated in the form of Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery in accordance with applicable law. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the form of Final Terms.

2. STATUS OF THE NOTES AND SUBORDINATION

The form of Final Terms will indicate whether the Notes are Senior Notes, Non-Preferred Senior Notes or Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

2.1 *Status of the Senior Notes*

This Condition 2.1 applies only to Senior Notes (and, for the avoidance of doubt, does not apply to Non-Preferred Senior Notes).

The Senior Notes and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking (subject to any obligations preferred by any applicable law) pari passu with all other unsecured obligations (other than obligations ranking

junior to the Senior Notes from time to time (including Non-Preferred Senior Notes and any further obligations permitted by law to rank, or expressed to rank, junior to the Senior Notes, on or following the Issue Date), if any) of the Issuer, present and future and *pari passu* and rateably without any preference among themselves.

Each holder of a Senior 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 Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

2.2 ***Status of the Non-Preferred Senior Notes***

This Condition 2.2 applies only to Non-Preferred Senior Notes (and, for the avoidance of doubt, does not apply to Senior Notes).

(a) The Non-Preferred Senior Notes (being notes intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-*bis* of the Italian Consolidated Banking Act), any related Receipts and Coupons constitute direct, unconditional, unsubordinated, and unsecured and non-preferred obligations of the Issuer, ranking:

(i) junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes, including claims arising from excluded liabilities within the meaning of Article 72a(2) of the CRR;

(ii) *pari passu* without any preferences among themselves, and with all other present or future obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Non-Preferred Senior Notes; and

(iii) in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-*bis*, letter c-*bis* of the Italian Consolidated Banking Act.

(b) Each holder of a Non-Preferred Senior 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 Non-Preferred Senior Note.

(c) For the avoidance of doubt, there is no negative pledge provision in these Conditions.

2.3 ***Status of the Subordinated Notes***

This Condition 2.3 applies only to Subordinated Notes.

(a) Subject as set out below, the Subordinated Notes (being notes 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 Regulations), including any successor regulations, and Article 63 of the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended from time to time (the **CRR**)) and any relative Receipts and Coupons 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 Non-Preferred Senior Notes) 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 relevant Subordinated Notes;

(ii) at least *pari passu* without any preferences 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 relevant Subordinated 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 relevant Subordinated Notes.

In the event the Subordinated Notes of any Series do not qualify or cease to qualify, in their entirety, as own funds items (*elementi di fondi propri*), such Subordinated Notes and any relative Receipts and Coupons shall rank (i) subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer, (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 items (*elementi di fondi propri*) 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 relevant Subordinated Notes (which do not qualify or have so ceased to qualify, in their entirety, as own funds in the form of Tier 2 capital) and (iii) senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*).

(b) In relation to each Series of Subordinated Notes all Subordinated Notes of such Series will be treated equally and all amounts paid by the Issuer in respect of principal and interest thereon will be paid pro rata on all Subordinated Notes of such Series.

(c) Each holder of a Subordinated 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 Subordinated Note.

(d) For the avoidance of doubt, there is no negative pledge provision in these Conditions.

3. INTEREST

3.1 *Interest on Fixed Rate Notes*

This Condition 3.1 applies to Fixed Rate Notes only. The form of Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the form of Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. The Rate of Interest may be

specified in the form of Final Terms either (i) as the same Rate of Interest for all Fixed Interest Periods or (ii) as a different Rate of Interest in respect of one or more Fixed Interest Periods.

If the Notes are in definitive form, except as provided in the form of Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the form of Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the form of Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 3.1:

(i) if "Actual/Actual (ICMA)" is specified in the form of Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the form of Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the form of Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent..

3.2 ***Interest on Reset Notes***

(a) **Rates of Interest and Interest Payment Dates**

Each Reset Note bears interest:

(i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;

(ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the form of Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, subject to Condition 3.4 (*Benchmark Discontinuation*) and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 3.1 (*Interest on Fixed Rate Notes*). Unless otherwise stated in the applicable Final Terms the Rate of Interest (inclusive of the First or Subsequent Margin) shall not be deemed to be less than zero.

(b) **Reset Reference Rate Conversion**

This Condition 3.2(b) is only applicable if Reset Reference Rate Conversion is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable.

The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to a basis which matches the frequency of Interest Payment Dates in respect of the relevant Notes.

For the purposes of the Conditions:

First Margin means the margin specified as such in the form of Final Terms;

First Reset Date means the date specified in the form of Final Terms;

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

First Reset Rate of Interest means, in respect of the First Reset Period and subject to Condition 3.2(c), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin, subject to Condition 3.2(b);

Initial Rate of Interest has the meaning specified in the form of Final Terms;

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

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

Mid-Swap Floating Leg Benchmark Rate means EURIBOR and the Specified Currency is euro;

Mid-Swap Rate means, in relation to a Reset Determination Date and subject to Condition 3.2(c), either:

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

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

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the form of Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

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

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

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

Original Reset Reference Rate Payment Basis has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

Rate of Interest means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

Relevant Margin means, in respect of a Reset Period, whichever of the First Margin or the Subsequent Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period;

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

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

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

Second Reset Date means the date specified in the form of Final Terms;

Subsequent Margin means the margin specified as such in the form of Final Terms;

Subsequent Reset Date means the date or dates specified in the form of Final Terms;

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

Subsequent Reset Rate of Interest means, in respect of any Subsequent Reset Period and subject to Condition 3.2(c) the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin, subject to Condition 3.2(b).

(c) **Fallbacks**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer (or an agent appointed by the Issuer) shall, subject as provided in Condition 3.4 (*Benchmark Discontinuation*), request each of the Reference Banks (as defined below) to provide the Issuer with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

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

Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Issuer (or an agent appointed by the Issuer) with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined by the Calculation Agent to be the sum of (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Relevant Margin.

For the purposes of this Condition 3.2(c) **Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

3.3 ***Interest on Floating Rate Notes***

(a) **Interest Payment Dates**

This Condition 3.3 applies to Floating Rate Notes only. The form of Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 3.3 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the form of Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the the Calculation Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the form of Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the form of Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the form of Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the form of Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the form of Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the form of Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any

Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) 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 each Additional Business Centre (other than TARGET2 System) specified in the form of Final Terms;

(b) if TARGET2 System is specified as an Additional Business Centre in the form of Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor or replacement for that system (the **TARGET2 System**) is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the form of Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the form of Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the form of Final Terms) the Margin (if any) provided that in any circumstances where under the ISDA Definitions the Calculation

Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer (or an agent appointed by the Issuer). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction under the terms of an agreement incorporating the "2006 ISDA Definitions", as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the form of Final Terms;

(B) the Designated Maturity is a period specified in the form of Final Terms; and

(C) the relevant Reset Date is the day specified in the form of Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Calculation Agent, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the form of Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the form of Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 3.4 (*Benchmark Discontinuation*), be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the form of Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the form of Final Terms) the Margin (if any), all as determined by the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (A) above, no offered quotation appears or, in the case of paragraph (B) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer (or an agent appointed by the Issuer) shall request each of the Reference Banks to provide it with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. The Issuer (or an agent appointed by the Issuer) shall promptly notify the Calculation Agent of any such quotations received. If two or more

of the Reference Banks provide the Issuer (or an agent appointed by the Issuer) with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an agent appointed by the Issuer) with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Issuer (or an agent appointed by the Issuer) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer (or an agent appointed by the Issuer) with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer (or an agent appointed by the Issuer) it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In the case of Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of the Notes will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the form of Final Terms the Minimum Rate of Interest shall be deemed to be zero.

Specified Time means 11.00 a.m. (Brussels time, for the determination of EURIBOR).

For the purposes of this Condition 3.3(b)(ii) **Reference Banks** means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market as selected by the Issuer on the advice of an investment bank of international repute.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the form of Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the form of Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the

provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.3:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the form of Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

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

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the form of Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the form of Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the form of Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Rate of Interest shall be calculated as if Linear Interpolation were not applicable.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

Subject to Condition 3.4 (*Benchmark Discontinuation*), the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 12. For the purposes of this Condition 3.3(f), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3(g) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and no liability to the Issuer (subject to the provisions of the Agency Agreement), the Noteholders, the Receiptholders

or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

3.4 ***Benchmark Discontinuation***

This Condition 3.4 is applicable to Notes only if the Floating Rate Note Provisions or the Reset Note Provisions are specified in the form of Final Terms as being applicable.

(a) **Independent Adviser**

Notwithstanding the provisions above in Condition 3.3 (*Interest on Floating Rate Notes*) or Condition 3.2 (*Interest on Reset Notes*), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.4(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 3.4(c) (*Adjustment Spread*) and whether any Benchmark Amendments (in accordance with Condition 3.4(d) (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

An Independent Adviser appointed pursuant to this Condition 3.4(a) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Principal Paying Agent, the Calculation Agent (or such other party specified in the form of Final Terms) any Paying Agent, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 3.4.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3.4(a) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3.4(a) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, it shall provide notice of that fact to the Calculation Agent and the Noteholders not less than 2 Business Days prior the relevant Interest Determination Date or Reset Determination Date and (i) in the case of the Rate of Interest on Floating Rate Notes, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or (ii) in the case of the First Reset Rate of Interest or in the case of the Subsequent Reset Rate of Interest on Reset Notes, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be equal to the sum of (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Relevant Margin. If there has not been a first Interest Payment Date or First Reset Date, the Rate of Interest for Floating Rate Notes shall be the initial Rate of Interest and the Rate of Interest for Reset Notes shall be the Initial Rate of Interest (as applicable). Where a different Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin (as applicable) is to be applied to the relevant Interest Period or Reset Period (as applicable) from that which applied to the last preceding Interest Period or Reset Period (as applicable), the Margin or Maximum or Minimum Rate of

Interest or First Margin or Subsequent Margin (as applicable) relating to the relevant Interest Period or Reset Period (as applicable) shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin relating to that last preceding Interest Period or Reset Period (as applicable). For the avoidance of doubt, this Condition 3.4(a) shall apply to the relevant next succeeding Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.4(a).

(b) **Successor Rate or Alternative Rate**

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3.4(a) (*Independent Adviser*) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3.4(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3.4); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3.4(c) (*Adjustment Spread*) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3.4).

(c) **Adjustment Spread**

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3.4(a) (*Independent Adviser*) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3.4 and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3.4(a) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions and the Agency Agreement, including but not limited to Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject

to giving notice thereof in accordance with Condition 3.4(e) (*Notices*) and subject (to the extent required) to giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority, without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3.4(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3.4, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as "Tier 2" capital at individual or consolidated basis and/or (i) result in the exclusion of the relevant Series of Senior Notes or Non-Preferred Senior Notes from the eligible liabilities available to meet the MREL Requirements or (ii) (in the case of Senior Notes or Non-Preferred Senior Notes only) result in the Competent Authority and/or the Relevant Resolution Authority treating the Interest Payment Date or Reset Date, as the case may be, as the effective maturity date of the Notes, rather than the relevant maturity date. In such cases (i) the Rate of Interest on Floating Rate Notes applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or (ii) in the case of the First Reset Rate of Interest on Reset Notes, the Rate of Interest shall be equal to the Initial Rate of Interest or (iii) in the case of the Subsequent Reset Rate of Interest on Reset Notes, the Rate of Interest shall be equal to the Subsequent Reset Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Reset Period or if the immediately preceding Reset Period is the First Reset Period, the First Reset Rate of Interest. If there has not been a first Interest Payment Date or First Reset Date, the Rate of Interest for Floating Rate Notes shall be the initial Rate of Interest and the Rate of Interest for Reset Notes shall be the Initial Rate of Interest (as applicable).

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

(e) **Notices**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3.4 will be notified promptly but in any event no later than 2 Business Days prior to the relevant Interest Determination Date or Reset Determination Date by the Issuer to the Calculation Agent, the Principal Paying Agent and each Paying Agent and, in accordance with Condition 12 (*Notices*), the Noteholders, Receiptholders or Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Conditions 3.4(a) (*Independent Adviser*) to 3.4(d) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 3.2(c) (*Fallbacks*) and Condition 3.3(b)(ii) (*Screen Rate Determination for Floating Rate Notes*) will continue to apply unless and until a Benchmark Event has occurred.

(g) **Definitions**

For the purposes of this Condition 3.4:

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(b) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), 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 the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

(c) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner)is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital market transactions to produce an industry-accepted replacement rate for the Original Reference Rate;;

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 3.4(b) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 3.4(d) (*Benchmark Amendments*);

Benchmark Event means:

(a) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

(b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative of its relevant underlying market, within the following six months; or

(f) it has become unlawful for, the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder, Receiptholder or Couponholder using the Original Reference Rate,

provided that in the case of sub-paragraphs (b), (c), (d) and (e) above, the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3.4(a) (*Independent Adviser*);

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

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(b) 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 the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(h) **Calculation Agent**

In no event shall the Calculation Agent be responsible for determining any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments or Benchmark Event. The Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer or the Independent Adviser.

Notwithstanding any other provision of this Condition 3.4 (*Benchmark Discontinuation*), if in the Calculation Agent's opinion there is any uncertainty in making any determination or calculation under this Condition3.4 (*Benchmark Discontinuation*), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

3.5 ***Change of Interest Basis***

If Change of Interest Basis is specified as applicable in the form of Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 3.1 or Condition 3.3 above each applicable only for the relevant periods specified in the form of Final Terms.

If Change of Interest Basis is specified as applicable in the form of Final Terms, and Issuer's Switch Option is also specified as applicable in the form of Final Terms, the Issuer may, on one or more occasions, as specified in the form of Final Terms, at its option (any such option, a **Switch Option**), having given notice to the Noteholders in accordance with Condition 12 and delivering such notice to each Agent on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the form of Final Terms with effect from (and including) the Switch Option Effective Date specified in the form of Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the form of Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective form (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the form of Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the form of Final Terms provided that any date specified in the form of Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified by the Issuer pursuant to this Condition and in accordance with Condition 12 prior to the relevant Switch Option Expiry Date.

3.6 ***Exempt Notes***

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 3.3 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Calculation Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

Change of Interest Basis

If Change of Interest Basis is specified as applicable in the applicable Pricing Supplement, the interest payable in respect of the Notes will be calculated in accordance with Condition 3.1 or Condition 3.3 above each applicable only for the relevant periods specified in the applicable Pricing Supplement.

If Change of Interest Basis is specified as applicable in the applicable Pricing Supplement, and Issuer's Switch Option is also specified as applicable in the applicable Pricing Supplement, the Issuer may, on one or more occasions, as specified in the applicable Pricing Supplement, at its option (any such option, a Switch Option), having given notice to the Noteholders in accordance with Condition 12 and delivering such notice to each Agent on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Pricing Supplement with effect from (and including) the Switch Option Effective Date specified in the applicable Pricing Supplement to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Pricing Supplement, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective form (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Pricing Supplement, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the applicable Pricing Supplement provided that any date specified in the applicable Pricing Supplement as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified by the Issuer pursuant to this Condition and in accordance with Condition 12 prior to the relevant Switch Option Expiry Date.

3.7 ***Accrual of interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. 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) as provided in the Agency Agreement.

4. PAYMENTS

4.1 *Method of payment*

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

4.2 *Presentation of definitive Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 4.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 4.4 should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 6) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest

payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

4.3 ***Payments in respect of Global Notes***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

4.4 ***Specific provisions in relation to payments in respect of certain types of Exempt Notes***

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 4.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 4.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

4.5 ***General provisions applicable to payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S.

dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

4.6 ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon 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 be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) is:

(a) 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):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than TARGET2 System) specified in the form of Final Terms; and

(b) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

4.7 ***Interpretation of principal and interest***

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 6;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

5. REDEMPTION AND PURCHASE

5.1 *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer (i) at least *at par* in case of Fixed Rate Notes, Reset Notes, Floating Rate Notes and Zero Coupon Notes, as specified in the form of Final Terms in the relevant Specified Currency and on the Maturity Date specified in the form of Final Terms (ii) in the case of Exempt Notes, at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

5.2 *Redemption for tax reasons*

Subject to Condition 5.8, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Senior Notes and Non-Preferred Senior Notes, to the provisions of Condition 5.14 and, in the case of Subordinated Notes, to the provisions of Condition 5.15) in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms to the Principal Paying Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes (in the case of Subordinated Notes, in respect of payments of interest only), the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of (or applicable in) a Tax Jurisdiction (as defined in Condition 6), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, provided that in the case of any redemption of Subordinated Notes proposed to be made prior to the fifth anniversary of the Issue Date, under the relevant Regulatory Capital Requirements (as defined in Condition 5.15) the Issuer demonstrates to the satisfaction of the relevant Competent Authority that such change or amendment is material and was not reasonably foreseeable by the Issuer as at the date of the issue of the first tranche of the relevant Subordinated Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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 deliver or procure that there is delivered to the Principal Paying Agent to make available at its specified office for inspection or collection by, or delivery via email to, the Noteholders (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (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 such change or amendment.

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications and/or opinions required by this Condition 5.2 are provided, nor shall it be required to review, check or analyse any certifications and/or opinions produced nor shall it be responsible for the contents of any such certifications and/or opinions or incur any liability in the event the content of such certifications and/or opinions is inaccurate or incorrect.

Upon the expiry of any such notice as is referred to in this Condition 5.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.2. Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

5.3 ***Redemption for regulatory reasons (Regulatory Call)***

This Condition 5.3 applies only to Notes specified in the form of Final Terms as being Subordinated Notes.

If Regulatory Call is specified in the form of Final Terms, the Notes may be redeemed at the option of the Issuer (subject to the provisions of Condition 5.15), in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 15 nor more than 30 days' notice to the Principal Paying Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable), if there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2" capital at individual or consolidated basis (in whole or in part), provided that, in case of exclusion in part, such exclusion is not as a result of amortisation or any limits on the amount of "Tier 2" capital applicable to the Issuer.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent to make available at its specified office for inspection or collection by, or delivery via email to, the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 5.3 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications and/or opinions is inaccurate or incorrect.

Upon the expiry of any such notice as is referred to in this Condition 5.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.3. Notes redeemed pursuant to this Condition 5.3 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

5.4 ***Redemption at the option of the Issuer (Issuer Call)***

This Condition 5.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or for regulatory reasons), such option being referred to as an Issuer Call. The form of Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5.4 for full information on any Issuer Call. In particular, the form of Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the form of Final Terms, the Issuer may (subject to, in the case of Senior Notes and Non-Preferred Senior Notes, Condition 5.14 and, in the case of Subordinated Notes, the provisions of Condition 5.15), having given not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for

redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the form of Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the form of Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the form of Final Terms or, if a Make-whole Amount is specified in the form of Final Terms, will be an amount calculated by the Issuer (or by an agent appointed by the Issuer to calculate the amount on its behalf) equal to the higher of:

(a) 100 per cent. of the nominal amount of the Notes to be redeemed; or

(b) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer;

Redemption Margin shall be as set out in the form of Final Terms;

Reference Bond shall be as set out in the form of Final Terms or the FA Selected Bond;

Reference Bond Price means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Issuer (or by an agent appointed by the Issuer) obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date;

Reference Government Bond Dealer means each of the five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Issuer (or by an agent appointed by the Issuer), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the form of Final Terms on the Reference Date quoted in writing to the Issuer (or by an agent appointed by the Issuer) by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the Optional Redemption Date.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5.4 by the Issuer (or by an agent appointed by the Issuer to calculate the amount on its behalf), shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will, subject to compliance with applicable law, be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 at least five days prior to the Selection Date.

5.5 ***Redemption at the option of the Noteholders (Investor Put)***

This Condition 5.5 applies only to Notes specified in the form of Final Terms as being Senior Notes or Non-Preferred Senior Notes.

This Condition 5.5 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The form of Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 5.5 for full information on any Investor Put. In particular, the form of Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the form of Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 12 not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition the Put

Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear and Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 5.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.5 and instead to declare such Note forthwith due and payable pursuant to Condition 8.

5.6 ***Issuer Call due to MREL Disqualification Event***

This Condition 5.6 applies only to Notes specified in the form of Final Terms as being Senior Notes or Non-Preferred Senior Notes.

In respect of any Series of Senior Notes or Non-Preferred Senior Notes where Issuer Call due to MREL Disqualification Event is specified as being applicable in the form of Final Terms, then the Issuer may (subject to the provisions of Condition 5.14) on any Interest Payment Date (if the Note is a Floating Rate Note), or at any time (if the Note is not a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms to the Principal Paying Agent and, in accordance with Condition 12 (which notice shall be irrevocable), the Noteholders, redeem all (but not some only) of the Notes then outstanding at their Early Redemption Amount as described in Condition 5.8 below (if appropriate) with interest accrued to (but excluding) the date fixed for redemption, if the Issuer determines that a MREL Disqualification Event has occurred and is continuing.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent to make available at its specified office for inspection or collection by, or delivery via email to, the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 5.6 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications and/or opinions is inaccurate or incorrect.

Upon the expiry of any such notice as is referred to in this Condition 5.6, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.6. Notes redeemed pursuant to this Condition 5.6 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

5.7 ***Clean-up redemption at the option of the Issuer***

If a clean-up option (the **Clean-Up Redemption Option**) is specified as applicable in the Final Terms, and if 75 per cent. or any higher percentage specified in the relevant Final Terms (the **Clean-up Call Percentage**) of the initial aggregate nominal amount of the Notes of the same Series (which for the avoidance of doubt includes, any additional Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, the Issuer may at any time, at its option, and having given to the Agent and the Noteholders not less than 5 nor more than 30 calendar days' notice (the **Clean-Up Redemption Notic**e), in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem such outstanding Notes, in whole but not in part, at their clean-up redemption amount (**Clean-Up Redemption Amount**) together, if appropriate, with accrued interest to (but excluding) the date of redemption, on the date fixed for redemption identified in the Clean-Up Redemption Notice.

5.8 ***Early Redemption Amounts***

For the purpose of Condition 5.2, Condition 5.3, Condition 5.6 above and Condition 8:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = RP x (1 + AY)y

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the form of Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

5.9 ***Specific redemption provisions applicable to certain types of Exempt Notes***

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 5.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

5.10 ***Purchases***

Subject to Condition 5.14 in respect of Senior Notes and Non-Preferred Senior Notes and Condition 5.15 in respect of Subordinated Notes, the Issuer or any of its subsidiaries may purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise (including for market making purposes). If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

5.11 ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5.10 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

5.12 ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.1, 5.2, 5.3, 5.4 or 5.5 above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.8(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

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

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

5.13 ***Italian Civil Code***

The Notes are not subject to Article 1186 of the Italian Civil Code nor, to the extent applicable, to Article 1819 of the Italian Civil Code.

5.14 ***Conditions to Early Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes***

Any redemption or purchase of Senior Notes and Non-Preferred Senior Notes in accordance with Conditions 5.2, 5.4, 5.6, 5.7 or 5.10 or Condition 13 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 13) is subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the MREL Requirements at the relevant time (including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL Requirements) and, including, as relevant, the condition that the Issuer has obtained

the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRR, where one of the following conditions is met:

(a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the relevant Notes with own funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(b) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its own funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the Regulatory Capital Requirements by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or

(c) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the relevant Notes with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the Regulatory Capital Requirements for continuing authorisation,

subject in any event to any different conditions or requirements as may be applicable from time to time under the Regulatory Capital Requirements.

The Relevant Resolution Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) Senior Notes or Non-Preferred Senior Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph. No event of default for the Senior Notes and Non-Preferred Senior Notes shall occur in case the Relevant Resolution Authority does not grant such general prior permission.

5.15 ***Conditions to Early Redemption and Purchase of Subordinated Notes***

Any redemption or purchase of Subordinated Notes in accordance with Condition 5.2, 5.3, 5.4, 5.7 or 5.10 or Condition 13 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 13) is subject to compliance with the then applicable Regulatory Capital Requirements, including, as relevant, for the avoidance of doubt:

(a) the Issuer giving notice to the relevant Competent Authority and such Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes (in each case to the extent and in the manner required by the relevant Regulatory Capital Requirements, including Articles 77 and 78 of CRR, 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 Regulatory Capital Requirements 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 relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRR or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(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 Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*), if there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2" capital at individual or consolidated basis (in whole or in part), provided that, in case of exclusion in part, such exclusion is not as a result of amortisation or any limits on the amount of "Tier 2" capital applicable to the Issuer and, in respect of any redemption of the relevant Subordinated 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 sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated 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 Regulatory Capital Requirements for the time being.

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 Subordinated Notes, in the limit of a predetermined amount, which shall not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the relevant Series of the Subordinated 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, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (i) or (ii) of sub-paragraph (a) of the preceding paragraph. No event of default for the Subordinated Notes shall occur in case the Relevant Resolution Authority does not grant such general prior permission.

As used 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 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;

Competent Authority means the Bank of Italy and/or, to the extent applicable in any relevant situation, the European Central Bank 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 FinecoBank Group, and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under the BRRD and/or SRM Regulation;

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

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

CRR means Regulation (EU) No. 2013/575 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 the CRR II);

CRR II means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 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 648/2022, as amended or replaced from time to time;

Future Capital Instruments Regulations means any regulatory capital rules or regulations introduced after the Issue Date by the Competent Authority or by the institutions of the European Union 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 CRR or (ii) the CRD IV Directive;

Group or **FinecoBank Group** means the Issuer and each entity within the prudential consolidation of the Issuer pursuant to Section 3, Chapter 2 of Title II of Part One of CRR;

Group Entity means the Issuer and any legal person that is part of the FinecoBank Group;

Loss Absorption 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 other Group Entities, including (but not limited to) any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, investment firm and/or any Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person;

MREL Disqualification Event means that at any time, all or part of the aggregate outstanding nominal amount of such Series of Senior Notes or Non-Preferred Senior Notes is or will be excluded fully or partially from eligible liabilities available to meet the MREL Requirements, provided that: (a)

the exclusion of a Series of Senior Notes or of Non-Preferred Senior Notes from the MREL Requirements due to the remaining maturity of such Senior Notes or Non-Preferred Senior Notes being less than any period prescribed thereunder, does not constitute an MREL Disqualification Event; (b) the exclusion of all or some of a Series of Senior Notes from the MREL Requirements due to there being insufficient headroom for such Senior Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute an MREL Disqualification Event; and (c) the exclusion of all or some of a Series of Senior Notes or Non-Preferred Senior Notes from MREL Requirements as a result of such Notes being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute an MREL Disqualification Event;

MREL Requirements means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to the Issuer and/or the FinecoBank Group, from time to time, (including any applicable transitional provisions), including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Republic of Italy, a relevant Competent Authority, a Relevant Resolution Authority or the European Banking Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer and/or the FinecoBank Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time;

Regulatory Capital Requirements means any requirements contained in the regulations, rules, guidelines and policies of the Competent 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 FinecoBank Group from time to time (including, any applicable transitional provisions), including, but not limited to, as at the Issue Date of the relevant Series of Notes, the rules contained in, or implementing, the CRD IV Package and the BRRD, delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority, in each case as amended or replaced from time to time;

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

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

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); and

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 institution capacity of credit institutions and investment firms.

6. TAXATION

All payments of principal (if applicable) and interest in respect of the Notes, the Coupons and the Receipts by or on behalf of the Issuer shall be made free and clear of withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (subject to the exceptions listed below) unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of principal, in case of Senior Notes only not qualifying in any part at such time as liabilities that are eligible to meet the MREL Requirements (if permitted by the Regulatory Capital Requirements), and interest, in case of all Notes, as shall be necessary in order that the net amounts received by the Noteholders, the Couponholders or the Receiptholders after such withholding or deduction shall equal the amounts of principal (if applicable) or interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that:

(a) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon for or on account of:

(i) *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or any related implementing regulations (as any of the same may be amended or supplemented);

(ii) withholding tax (at the then applicable rate of tax) pursuant to Italian Law Decree No. 512 of 30 September 1983 or any related implementing regulations (as any of the same may be amended or supplemented); and

(iii) *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 461 of 31 November 1997 or any related implementing regulations (as any of the same may be amended or supplemented), and

(b) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his/her/its having some connection with the Tax Jurisdiction other than the mere holding of such Note; or

(ii) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or

(iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day (assuming such day to have been a Payment Day as defined in Condition 4.6; or

(iv) presented for payment in the Republic of Italy; or

(v) presented for payment in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident or established in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(vi) presented for payment (in respect of payments by the Issuer) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or

(vii) where the holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements; or

(viii) where such withholding or deduction is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof or any law implementing an intergovernmental approach thereto.

Any reference in these Conditions to interest shall be deemed to include any additional amounts in respect of interest (as the case may be) which may be payable under this Condition 6.

As used in these Conditions:

Relevant Date in respect of any Note, Coupon or Receipt means the date on which payment in respect of it first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12 (*Notices*); and

Tax Jurisdiction means (i) the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax and (ii) 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 in respect of interest on the Notes, Coupons and Receipts.

7. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 4.2 or any Talon which would be void pursuant to Condition 4.2.

8. EVENT OF DEFAULT AND ENFORCEMENT

With respect to any Senior Note, Non-Preferred Senior Notes or Subordinated Note, in the event of compulsory winding-up (*Liquidazione Coatta Amministrativa*) of the Issuer pursuant to Article 80 of the Italian Consolidated Banking Act (the **Event of Default**), then any holder of a Senior Note, Non-Preferred Senior Note or Subordinated Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Senior Note, Non-Preferred Senior Note or Subordinated Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment. For the avoidance of doubt, the non-payment by the Issuer of any amount due and payable under these Notes, or the taking of any crisis prevention measure or crisis management measure in relation to the Issuer in accordance with the BRRD, is not an event of default.

The rights of the Noteholders, the Couponholders and the Receiptholders in the event of compulsory winding up (*Liquidazione Coatta Amministrativa*) of the Issuer pursuant to Article 80 of the Italian Consolidated Banking Act will be calculated on the basis of the principal amount of the Notes, plus any accrued but unpaid interest up to, but excluding the date the Notes become immediately due and payable, and any additional amounts due pursuant to Condition 6 (*Taxation*). No payments will be made to the Noteholders, the Couponholders or the Receiptholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders, the Couponholders and the Receiptholders as described in Condition 2 (*Status of the Notes and Subordination*) have been paid by the Issuer, as ascertained by the liquidator.

No remedy against the Issuer other than as provided by this Condition 8 shall be available to the Noteholders, the Couponholders or the Receiptholders whether for the recovery of amounts owing under or in respect of the Notes, the Coupons or the Receipts or in respect of any breach by the Issuer of any of its obligations in relation to the Notes, the Coupons or the Receipts or otherwise.

No Event of Default for the Notes shall occur other than in the context of an insolvency proceeding (including, without limitation, *Liquidazione Coatta Amministrativa*) 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. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

10. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the form of Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent;

(b) there will at all times be a Paying Agent in a jurisdiction within Europe, other than Italy; and

(c) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority).

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any

Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

11. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7.

12. NOTICES

All notices regarding the Notes will be deemed to be validly given if (a) published in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Notes are admitted to trading on and listed on the Official List of Euronext Dublin, published on Euronext Dublin's website, www.euronext.com/en/markets/dublin. It is expected that such publication will be made in the *Financial Times* in London. 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 or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

13. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement and the provisions for the meetings of Noteholders (including by way of conference call or by use of videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons, these Conditions or any of the provisions of the Agency Agreement. 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 the modification of certain provisions of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, or altering the currency of payment of the Notes, the Receipts or the Coupons or amending in certain respects), 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 by 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, and on all Receiptholders and Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Issuer and the Principal Paying Agent may agree, without the consent of the Noteholders, Receiptholders or Couponholders, 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 or the Agency Agreement 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 the Agency Agreement to give effect to any Benchmark Amendments in the circumstances and as otherwise set out in Condition 3.4 (*Benchmark Discontinuation*) shall not require the consent of the Noteholders, Receiptholders or Couponholders, 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, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

In addition, with respect to (i) any Series of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL Disqualification Event occurs, and if Variation is specified as being applicable in the form of Final Terms, or (ii) all Notes, if Variation is specified as being applicable in the form of Final Terms, in order to ensure the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving consent required from the Competent Authority and/or as appropriate the Relevant Resolution Authority, (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Paying Agents and the holders of the Notes of that Series (or such other notice periods as may be specified in the Form of Final Terms), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

In these Conditions:

Qualifying Non-Preferred Senior Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Non-Preferred Senior Notes (as reasonably determined by the Issuer) than the terms of the Non-Preferred Senior Notes and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the FinecoBank Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) have a ranking at least equal to that of the Non-Preferred Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Non-Preferred Senior Notes; (D) have the same redemption rights as the Non-Preferred Senior Notes; (E) preserve any existing rights under the Notes to any accrued but 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 or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*); and

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

Qualifying Senior Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the FinecoBank Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) have a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; (E) preserve any existing rights under the Notes to any accrued but 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 or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*); and

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

Qualifying Subordinated Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Notes and they shall also (A) comply with the then-current requirements of the Regulatory Capital Requirements in relation to Tier 2 capital, (B) have a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; (E) preserve any existing rights under the Notes to any accrued but 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 or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 16 (*Statutory Loss Absorption Powers*); and

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

Provision for the Meetings of Noteholders are attached to, and form an integral part of, these Conditions. References in these Conditions to the Provisions for the meetings of Noteholders include such provisions as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

For avoidance of doubt, any modification or variation pursuant to this Condition 13 is subject to the provisions of Condition 5.14 (in respect of Senior Notes and Non-Preferred Senior Notes) and Condition 5.15 (in respect of Subordinated Notes).

14. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 *Governing law*

The Agency Agreement, the Terms and Conditions of the Notes, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with any of the above are governed by, and construed in accordance with, Italian law.

15.2 *Submission to jurisdiction*

(a) The courts of Milan have exclusive jurisdiction to settle any dispute arising out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the courts of Milan.

(b) For the purposes of this Condition 15.2, the Issuer waives any objection to the courts of Milan on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

15.3 *Other documents*

The Issuer has in the Agency Agreement submitted to the exclusive jurisdiction of the courts of Milan.

16. STATUTORY LOSS ABSORPTION POWERS

By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Loss Absorption Power by the Relevant Resolution Authority that may result in the write-down

or cancellation of all or a portion of the principal amount of, or distributions on, the Notes and/or the conversion of all or a portion of the principal amount of, or distributions on, the Notes into ordinary shares or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Relevant Resolution Authority of such Loss Absorption Power. Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Loss Absorption Power by the Relevant Resolution Authority.

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

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

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 Loss Absorption Power to the Notes.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes and to improve the regulatory capital structure of the Issuer and the FinecoBank Group. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the form of Final Terms or Pricing Supplement relating to the relevant Tranche of Notes.

DESCRIPTION OF THE ISSUER

OVERVIEW

FinecoBank is the parent company of the FinecoBank Group and is a multi-channel direct bank, providing banking, brokerage and investing services. It offers from a single account banking, credit, trading and investment services (a "one-stop" solution) through transactional and advisory platforms developed with proprietary technologies. FinecoBank offers an integrated business model combining direct banking and financial advice and distributes its products and services through multiple channels, including via one of the largest networks of personal financial advisors in Italy, its website and through custom-developed mobile applications.

FinecoBank was incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy and, pursuant to its articles of association, the duration of FinecoBank is set at 31 December 2100 and may be extended or terminated earlier by resolution of the shareholders' meeting. FinecoBank is registered with the Companies' Register of Milan-Monza-Brianza-Lodi (with company number 01392970404) with registered office in Piazza Durante 11, Milan 20131, Italy. The Issuer Legal Entity Identifier (LEI) is: 549300L7YCATGO57ZE10. It is listed on the Milan Stock Market and has been on the benchmark stock market index for Borsa Italiana (the **FTSE-Mib**), which consists of the 40 most-traded stock classes on the exchange, since 1 April 2016. On 20 March 2017, FinecoBank's stock became part of the STOXX Europe 600 Index.

Since 2017, FinecoBank is also present in the UK with an offer focused on brokerage and banking services. The telephone number for FinecoBank is +39 02 2887 21 and its website is www.fineco.it.

In December 2021, the excellent result obtained in the Vigeo Eiris ESG[13] rating update, equal to 54 points out of 100 (robust performance), allowed FinecoBank to be included in Euronext's MIB ESG Index. In 2022, Standard Ethics confirmed its "EE+" rating, a very high investment grade rating given to sustainable companies with low reputational risk and strong long-term growth prospects. Sustainalytics[14] has further improved its ESG risk rating on FinecoBank to 13.2 "Low risk", while S&P's corporate sustainability assessment saw an increase in the score from 65 to 68 points out of 100. In addition, MSCI Inc. improved the ESG rating assigned to Fineco, from "A" (average) to "AA" (leader within the "diversified financials" sector). As of November 2022, FinecoBank is also included in the FTSE4Good sustainability indices, Bloomberg Gender Equality Index (GEI) 2022, Standard Ethics Italian Banks Index©, Standard Ethics Italian Index, S&P Global 1200 ESG index.

FinecoBank's offering is split into three integrated areas of activity: (i) banking, including current account and deposit services, payment services, and issuing debit, credit and prepaid cards, mortgages and personal loans; (ii) brokerage, providing order execution services on behalf of customers, with direct access to major global equity markets and the ability to trade contracts for difference (**CFDs**) (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates; (iii) investing, including the asset management activity carried out by the subsidiary Fineco AM, thanks to the vertically integrated business model, placement and distribution services of more than 6,000 products, including mutual funds and SICAV sub-funds managed by 75 leading Italian and international investment firms, insurance and pension products, as well as investment advisory services through a network of 2,887 personal financial advisors as of 30 June 2022. FinecoBank provides asset management activities via its subsidiary Fineco AM, which has been fully operational since 2 July 2018.

As of 11 May 2019, FinecoBank is registered as the "Parent Company" of the "FinecoBank Banking Group" in the Register of Banking Groups (together with the subsidiary Fineco AM), exercising management and coordination activity over the group in accordance with the current legislation.

[13] Now "Moody's ESG Solutions".
[14] A Morningstar company.

On 9 February 2021, FinecoBank's Board of Directors approved a binding offer of approximately €1.25 million to acquire a 20% stake in Vorvel Sim S.p.A. (previously Hi-MTF Sim S.p.A.) (**Vorvel Sim**). Underlying the transaction was the desire to increase FinecoBank Group's capacity to extract value from the business through vertical integration by way of leveraging the volumes produced by the FinecoBank Group's customers and developing, together with the current shareholders of Vorvel Sim, a flexible and modern model. The transaction also aimed to offering customers increasingly efficient and transparent instruments in line with FinecoBank's business model. The acquisition was completed in July 2021.

KEY FINANCIAL FIGURES

As at 30 June 2022, FinecoBank generated operating income of €464.0 million (up 15.0% compared to €403.5 million as at 30 June 2021) and net profits of €222.4 million (showing an increase of 2.6% compared to €216.7 million for the first half year of 2021).

As at 30 June 2022, total financial assets (**TFAs**) (direct and indirect) from customers amounted to €102,804 million, in reduction of 4.7% on €107,915 million at the end of 2021, of which €50,789 million related to asset under management (**AUM**) (-8.4% y/y at the end of 2021).

As at 30 June 2022, FAM retail TFAs amount to €14.6 billion, compared to €15.1 billion as at 31 December 2021, €13.2 billion as at 30 June 2021 and €10.5 billion as at 31 December 2020.

As at 30 June 2022, private banking TFAs amount to €43,304 million, compared to €48,761 million as at 31 December 2021, €44,763 million as at 30 June 2021 and €38,614 million as at 31 December 2020.

Net sales at during the first half of 2022 came to €5,636 million, substantially in line with the €5,787 million in the first half of 2021: net sales of AUM came to €1,702 million, assets under custody came to €2,911 million and direct deposits came to €1,023 million. As at 30 June 2022, net sales of Guided Products & Services came to €1,625 million (-56.4% y/y).

As at 30 June 2022, AUM on a daily basis came to €52.9 billion, compared to €50.7 billion as at 31 December 2021 and €40.7 billion as at 31 December 2020.

As at 30 June 2022, net sales through the network of personal financial advisors (**PFAs**) totalled €4,935 million, in reduction of 11.0% compared to 30 June 2021. TFAs (direct and indirect) of the PFA network as at 30 June 2022 amounted to €90,078 million (-4.8% on €94,631 million at the end of 2021).

As at 30 June 2022, the TFAs related to private banking clients, i.e. with assets above €500,000, totalled €43,304 million.

Credit quality remains high, with a cost of risk at 2bps, driven by the principle of offering credit exclusively to existing customers, making use of specialist tools to analyse the bank's vast information base. The cost of risk is structurally contained and fell further thanks also to the effect of new loans, which are mainly secured and low-risk. The ratio between impaired loans and total loans to ordinary customers was 0.07% as at 30 June 2022 (0.08% as at 31 December 2021).

As at 30 June 2022, deposits from customers amounted to €30,524.0 million, up 3.4% compared to 31 December 2021, due to the growth in direct deposits. The total number of customers as at 30 June 2022 was 1,454,645, up 1.9% compared to 31 December 2021.

The cost/income ratio went from 31.3% as at 30 June 2021 to 29.3% as at 30 June 2022, confirming the operating efficiency of the FinecoBank Group and the spread of the company culture of controlling costs.

As at 30 June 2022, the Issuer confirmed its solid capital position with a consolidated CET1 capital ratio of 19.14% (18.80% as at 31 December 2021). The total consolidated capital ratio as at 30 June 2022 was 29.45% (29.63% at as at 31 December 2021).

KEY COMPETITIVE STRENGTHS

FinecoBank's key competitive strengths are:

- its "one-stop solution" business model, which offers an integrated range of banking, brokerage and investing services from a single current account and through an integrated network of financial advisors, online and mobile channels.

- the quality, innovative design and ease of use of its proprietary operating platforms have been a key element of its product offering since it first entered the market for online financial services. These platforms, which include applications for banking transactions and securities trading, have been developed and are maintained by a skilled team of internal programmers and personnel that is responsible for FinecoBank's technological infrastructure. Developing and managing this infrastructure in-house allows FinecoBank to tap into industry-specific knowledge to respond quickly to customer demands and market trends with innovative products and technological solutions at a limited cost. Recent examples of FinecoBank's ability to provide new and innovative products include its SCT Instant service (SEPA Instant Credit Transfer), which has been launched so as to allow cash transfers between accounts in the SEPA Area within 10 seconds.

- the breadth and quality of its investing services. FinecoBank uses a guided open architecture business model to offer customers an extremely wide range of asset management products - comprising collective asset management products, such as units of UCITS and SICAV shares - from carefully selected Italian and international investment firms, pension and insurance products as well as investment advisory services. With regard to pension products, customers increasingly focused on the open-end pension fund of Amundi SGR S.p.A. (**Amundi**) for long-term investments exclusively available to the FinecoBank network (the **Core Pension**). As regards consulting services, in 2018 was "Plus", the exclusive service dedicated to the FinecoBank network was launched. In particular, "Plus" consists in a consulting contract through which the consultant can offer its customers highly diversified and freely customizable portfolios. The main feature offered by "Plus" is the global consulting service offered that spans asset management (funds and SICAVs) as well as asset administration products and ETPs (ETFs, ETCs, ETNs) and insurance investment products.

- its extensive network of financial advisors is fully integrated into its business model and widely disseminated across Italy in the "Fineco Centers". As at 30 June 2022, the network consisted of 2,887 personal financial advisors distributed in Italy with 423 "Fineco Centers". This network focuses on increasing FinecoBank's total financial assets by bringing in clients who will use not just the bank's investment advisory services, but also its banking and brokerage services. FinecoBank supports the growth and development of its financial advisor network by providing them with specially-tailored operating platforms that help them understand the financial needs of clients, raising the quality of the services provided and assisting in the steady, organic growth of FinecoBank's total financial assets and the number of clients associated with a financial advisor. There is also continued investment in the commercial structures used by personal financial advisors, which contribute to raising the image and giving increasingly more coverage to the presence of FinecoBank in the Italian territory.

- a demonstrated capacity for attracting clients and building client loyalty. A high degree of client satisfaction (96% in May 2022) (Source: Kantar TNS Infratest), industry-specific knowledge, experience in designing user-friendly operating platforms, and effective marketing strategies that focus on consistent management of the Fineco brand and promotional activities (including by the financial advisors network), all contribute to FinecoBank's ability to attract new clients (particularly those in the "private" and "affluent" segments) while building loyalty among existing clients.

- its integrated business model and breadth of investment products, which allows it to meet different clients' needs in various market cycles, contributing to the bank's ability to maintain consistent levels of total financial assets and a diverse revenue stream. Providing FinecoBank clients with a "one-stop

solution" for their financial needs also encourages clients to deposit funds with FinecoBank for their day-to-day banking needs (which increases FinecoBank's "transactional" liquidity associated with these deposits), resulting in more stable deposit levels. In addition, the fact that FinecoBank does not charge performance fees for its investing services helps insulate it from market fluctuations, provides greater visibility on its results and minimises potential conflicts of interests. Furthermore, to address its exposure to liquidity risk, FinecoBank invests the portion of liquidity that according to its internal analyses is less stable in liquid assets or assets readily convertible into cash that can be used as a source of short-term financing with the central bank.

- a strong ability to adapt the scale of its operations, based on an effective organisational structure and internal processes, as well as highly scalable information technology systems. This enables FinecoBank to expand its activities without incurring significant increases in its operating costs.

- a highly scalable operating platform with a diversified revenues mix leading to consistent results across a variety of market conditions demonstrated by adjusted net profit (net of systemic charges) CAGR of approximately 12.5%, as at 30 June 2022.

- a continuous enlargement of the client base of active investors (i.e. clients performing less than 20 trades per month, with an average of 4 trades per month).

THE STRATEGY

FinecoBank's overall strategy is aimed at consolidating and strengthening its position in the Italian market for integrated banking, brokerage, and investing services. It seeks to implement this strategy by leveraging its key strengths and executing specific strategies, including:

Development, expansion and training of the financial advisors network

FinecoBank aims to continue to expand its financial advisor network through recruitment of both experienced, high profile financial advisors—who can bring large portfolios and high-net worth clients to its network—as well as young professionals (including "millennials") with the potential for growth and who will help FinecoBank address generational turnover. FinecoBank invests in its financial advisors by providing training programs that teach them the necessary skills for providing advanced advisory and wealth management services and by focusing on building loyalty among current financial advisors and encouraging the recruitment of new candidates. FinecoBank also intends to continue focusing on organic growth of its financial advisors network, both in terms of its client's total financial assets and the number of clients.

Continuous improvement of its integrated offering

FinecoBank intends to continue to develop its offering of banking, brokerage, and investing services in an integrated manner that promotes its "one-stop solution" business model, with the goal of increasing its client loyalty and encouraging its clients to use FinecoBank for their day-to-day banking needs.

Leverage its operating platform and internal know-how

FinecoBank believes it is well-positioned to manage the development and growth of its business effectively by leveraging its innovative skills, highly scalable information technology infrastructure, extensive internal know-how in producing advanced and effective front-end applications and efficient back-end systems, and by building upon the efficiency of its organisational and operating structure.

The aforementioned initiatives are expected to be complemented by further investments in advertising and marketing, with the purpose of reinforcing perceptions of FinecoBank's brand, which is marketed as being characterised by: simplicity, transparency and innovation. FinecoBank believes that these actions are consistent with anticipated market trends, which are expected to be marked by an increasingly digitalised society and an increased demand for financial advisory services. FinecoBank believes that these trends favour

its strategic market position as a direct, multi-channel bank, and they should allow it to successfully implement its strategy.

Capital efficiency and focus on the investing value chain

FinecoBank has introduced a wide range of initiatives to move progressively towards a more capital efficient business model while at the same time further improving its revenues mix, becoming more focused on the financial needs of its clients. In this respect, in 2021 FinecoBank introduced two strategic discontinuities: the first is aimed at keeping under control the growth of the balance sheet (and therefore its Leverage Ratio Exposure); the second is taking more control of the investing value chain through Fineco AM, in order to further accelerate investing revenues and margins and progressively improve the FinecoBank's revenues mix.

Marketing Strategy

As of 30 June 2022, FinecoBank had 1,454,645 clients (compared to 1,428,170 clients as of 31 December 2021).

FinecoBank's "one-stop solution" of integrated banking, brokerage, and investing services targets a broad range of retail clients, which the Issuer categorises as:

- "investors," namely clients that are attracted by the breadth of investment solutions FinecoBank offers and the advisory services provided by financial advisors;
- "traders," namely clients that are attracted by FinecoBank's efficient, functional, innovative, and complete brokerage operating platforms; and
- "bankers," namely clients that are attracted by FinecoBank's easy-to-use and efficient banking operating platforms and more generally by the mix of traditional and innovative services offered.

FinecoBank analyses its clients and potential clients in terms of their financial assets, generally targeting retail clients (as opposed to corporate clients) and, within the retail market, particularly targeting "affluent" clients, who the Issuer characterises as having between €50,000 and €500,000 in total financial assets and "private" clients, who have more than €500,000 in total financial assets. These "affluent" and "private" clients are generally characterised by higher net worth and savings rate, thus are best-suited to fulfilling the Issuer's business objectives and taking advantage of the various services offered.

In terms of communication and market positioning, FinecoBank's strategy is based on three qualities that clients associate with the "Fineco" brand and its business: simplicity, transparency, and innovation. The Issuer's advertising slogan ("The bank that simplifies banking") is consistent with its mission: conceiving and implementing the best solutions to satisfy client needs. The Issuer's positioning and advertising message also aims to overcome the perception of FinecoBank as being simply an "online bank" and reaches a broader public that is not necessarily familiar with direct channels.

FinecoBank carries out brand and product campaigns using media (primarily TV, radio, and online), as well as running promotions (for the opening of new accounts or increasing asset gathering), events, and meetings at a local level in collaboration with the financial advisors network (targeted at both current and potential clients). The Issuer also offers online and in-classroom courses (in order to acquire new clients and to encourage the activity of current clients), uses social networks (FinecoBank is the most followed bank in Italy on Twitter and has the highest level of fan interactions on Facebook), and participates in national events dedicated to issues relating to investments and online trading.

In the first half of 2022, global inflation along with rising interest rates has been one of the main topics analysed by media. The Issuer has been a protagonist of these insights on several occasions, through interviews with FinecoBank's key figures. In this respect, FinecoBank's management of interest rate risk is focused on

stabilisation. The banking book interest rate risk measure covers the dual aspect of the value and the net interest income/expense of FinecoBank. The two perspectives include the economic value perspective where variation in interest rates can affect the economic value of assets and liabilities, and the income perspective where the focus of analysis is the impact of changes of interest rates on accrual or reported net interest income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. FinecoBank measures and monitors interest rate risk daily, within the methodological framework and corresponding limits or thresholds relating to the sensitivity of the net interest margin and the economic value.

As regards the FinecoBank's reputation management program, the Issuer remains stable in the first half of 2022 by gaining about 1 point in terms of reputation compared to the fourth quarter of 2021. The Reputation Institute[15] runs monthly measurement of corporate reputation through a representative sample of Italian population in a challenging context, due to recent events and changes in the macroeconomic scenarios. Finally, FinecoBank's customer satisfaction reached 96% in May 2022 (Source: Kantar TNS Infratest).

FinecoBank's marketing and communication activities in the UK focused on investors behaviour analyses in UK market as well, getting closer to brokerage channel with a long-term approach, rather than short-term

In the same period, all advertising campaigns in the trading segment were enhanced to continue to support positioning in this business segment and to attract new customers.

HISTORY AND DEVELOPMENT

The Issuer started its operations on 4 March 1982 as a limited liability company under the name GI-FIN S.r.l., engaging in the business of securities trading both for its own account and for third parties. The Issuer was re-incorporated as a joint stock company on 12 October 1982 under the name GI-FIN S.p.A..

During its first years of operation, the Issuer's banking business mainly focused on granting personal loans to retail clients. In 1996, the Issuer became part of the BIPOP Banca Popolare di Brescia banking group and in August 1999 it changed its name to FIN-ECO BANCA ICQ S.P.A., or, in abbreviated form, BANCA FIN-ECO S.P.A., and began expanding the range of banking products it offered.

Following the merger of Cassa di Risparmio di Reggio Emilia S.p.A.—CARIRE into Banco Popolare di Brescia S.c.r.l., the Issuer became part of the BIPOP-CARIRE banking group, and in 2001 it acquired FIN-ECO ON LINE SIM S.p.A., which was engaged in an online trading business, laying the foundation for the development of a complete and integrated offer of banking and investing services. As a result of this transaction, the Issuer was able to provide the first interest-bearing savings account in Italy that was coupled with banking and investing services through the online channel. In the following years—in addition to expanding its range of banking, brokerage, and investment products—the Issuer started to provide financial advisory services through its own network of financial advisors as well as through a network of mortgage brokers. This created a unique business model in the Italian market and led to a significant increase in clients.

In 2002, the Issuer merged into the Capitalia Group as a result of the merger of BIPOP-CARIRE and Banca di Roma. Following the establishment of the Capitalia Group, the Issuer reorganised its business and structure, particularly its brokerage business and network of financial advisors, with the aim of integrating the business units of the two banking groups that existed prior to the merger.

On 24 June 2004, the Issuer changed its name to FinecoBank Banca Fineco S.p.A., or, in abbreviated form, FinecoBank S.p.A., Banca Fineco S.p.A. or Fineco Banca S.p.A.

[15] The Reputation Institute is the world's leading reputation consultancy and advisory firm. It enables many of the world's leading companies to make more confident business decisions that build and protect reputation capital, analyse risk and sustainability arguments, and drive competitive advantage.

By 2006, the Issuer was the leading Italian broker in terms of number of trades, with a market share of 7.44% (Source: Assosim) The volume of trades that the Issuer executed grew steadily as a result of the increased volume of trades that it carried out on behalf of the Capitalia Group as well as the growth in volumes from new clients.

On 20 September 2007, Capitalia S.p.A. merged into UniCredit and the Issuer became a member of the UniCredit Group. After the merger, UniCredit engaged in a reorganization process that assigned the Issuer responsibility within the UniCredit Group for increasing liquidity and access to capital through increasing customer deposits (referred to as "asset gathering") and the online trading business, thereby replacing UniCredit Xelion Banca S.p.A., which had been the UniCredit Group's multi-channel bank, providing banking and financial services through financial advisors.

Additionally, this reorganisation process provided for the removal of the Issuer's business units relating to loans, credit cards and personal loans that are secured by the borrower's paycheck and the relocation of those product areas in the relevant companies of the UniCredit Group that were focused on these areas. This reorganisation also entailed the Issuer's acquisition of UniCredit Xelion Banca S.p.A. and its subsidiary XAA Agenzia Assicurativa S.p.A., to eliminate any overlap between the businesses and further consolidate the Issuer's leading position in the Italian asset gathering and online trading markets. The merger with UniCredit Xelion Banca S.p.A. also generated an increase in revenues due to the significant growth in the Issuer's total financial assets and the expansion of its distribution channels, particularly its network of financial advisors.

On 15 April 2014, FinecoBank approved the proposal for admission to listing of its ordinary shares on the MTA (*Mercato Telematico Azionario*) of the Italian Stock Exchange (*Borsa Italiana S.p.A.*). The listing and consequent expansion of the shareholders' base have enabled the Issuer to strengthen the visibility of its business model, thereby improving its standing in the market, thanks also to national and international institutional investors becoming shareholders of FinecoBank. Since 1 April 2016, FinecoBank has been included in the FTSE-Mib, and since March 2017, its shares are included in the STOXXEurope 600 Index.

Since 2017, FinecoBank is also present in the United Kingdom pursuant to the freedom to provide services in the EU, with an offer focused on brokerage and banking services. As at the date of this Base Prospectus, FinecoBank has one wholly-owned subsidiary, Fineco AM, which is an Irish investment firm that was set up in the last quarter of 2017. Fineco AM was incorporated with the aim to offer its customers a range of internally and externally managed UCITS funds, with a strategy focused on the definition of strategic asset allocation and selection of the best international managers, and therefore, to diversify and improve the offer of asset management products and to further increase the competitiveness of FinecoBank through a vertically integrated business model. During the first half of 2018, Fineco AM carried out the passporting process of the UCITS management company from Ireland to Luxembourg with the aim to become the manager of the "*Fonds Commun de Placement (FCP) CORE SERIES Umbrella Fund*", managed by Amundi S.A.. The passporting process was successfully concluded on 2 July 2018. On 1 August 2018, Fineco AM received approval from the Central Bank of Ireland for its multi manager UCITS umbrella fund, "*FAM Series UCITS ICAV*" and on 11 December 2018, for an additional UCITS umbrella fund of funds range, "*FAM Evolution*". In 2018 Fineco AM obtained the passport for the UCITS management company from Ireland to Luxembourg in order to become the manager of the *"Fonds Commun de Placement (FCP) CORE SERIES Umbrella Fund"*, managed by Amundi S.A. On 1 August 2018, Fineco AM obtained the approval of its UCITS umbrella fund multi manager *"FAM Series UCITS ICAV"* from the Central Bank of Ireland and on 11 December 2018, of a further UCITS umbrella fund, *"FAM Evolution"*. As at 31 December 2021, Fineco AM managed €24.8 billion of assets, of which €15.1 billion were retail class and around €9.7 billion institutional class.

On 10 May 2019, FinecoBank ceased to be a member of the UniCredit Group, following the sale by UniCredit of approximately 103.5 million ordinary shares in FinecoBank (equal to approximately 17% of the Issuer's issued share capital). As a result of this transaction, UniCredit continued to hold a minority shareholding in the Issuer (equal to approximately 18% of the Issuer's issued share capital). However, on 8 July 2019, UniCredit announced that it had sold its entire stake of 18.321 per cent. of the share capital of FinecoBank. The completion of such sale occurred on 11 July 2019.

BUSINESS OVERVIEW

FinecoBank is an Italian, multi-channel direct bank which provides its retail clients with a "one-stop solution" of integrated banking, brokerage and investing services. FinecoBank distributes its products and services through multiple channels, including its network of personal financial advisors, its website and through custom-developed mobile applications, which are supported by FinecoBank's customer contact center and the branches and ATM network of the UniCredit Group. FinecoBank offers its banking, brokerage and investing services by leveraging its integrated distribution structure and the complementary nature of these services, a distinguishing trait that it believes helps build client loyalty, as clients may rely on it both to carry out their ordinary banking operations and to perform investing activities.

FinecoBank's offering is split into three integrated areas of activity: (i) banking, including current account and deposit services, payment services, and issuing debit, credit and prepaid cards, mortgages and personal loans; (ii) brokerage, providing order execution services on behalf of customers, with direct access to major global equity markets and the ability to trade CFDs (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates; (iii) investing, including the asset management activity carried out by the subsidiary Fineco AM, thanks to the vertically integrated business model, placement and distribution services of more than 6,000 products, including mutual funds and SICAV sub-funds managed by 75 leading Italian and international investment firms, insurance and pension products, as well as investment advisory services through a network of 2,887 personal financial advisors as of 30 June 2022. FinecoBank provides asset management activities via its subsidiary Fineco AM, which has been fully operational since 2 July 2018.

Banking Services

FinecoBank offers its clients a broad range of banking services, including account services (i.e. demand or term deposits), payment services and credit facilities. The Issuer's clients may access the bank's services by opening an account with FinecoBank, either through a financial advisor, online or through the Issuer's contact center. The account is also instrumental to accessing brokerage and investing services.

The Issuer provides its clients with banking services: (i) through its online website; (ii) through mobile applications it develops; (iii) by telephone through its contact center; and (iv) for certain services, at UniCredit branches and ATMs, on the basis of existing agreements with UniCredit, extended for 20 years at market conditions agreed from time to time, following FinecoBank's exit from the UniCredit Group from 10 May 2019.

A key element of the Issuer's product range, including with respect to its banking services, is the ease of use of its platforms and the functionality and efficiency of the design interface. The Issuer continually strives to ensure ease of use and access to its services, by developing functional and intuitive browsing interfaces, even for its most complex processes and services.

Banking and Payment cards

With regard to "Banking and Payment" cards, FinecoBank is committed to offering its customers new services or improving existing services, with a strong focus on digitisation and innovation. In the first half of 2022, the Banking area implemented improvements to existing products and services, and continued to optimize digitalisation processes and to expand its offering of products and services. In this context the main improvements on the products and services available in 2022 includes:

- the migration of banking transfers, MAV and RAV, F24, postal slips, CBILL and Riba, to a new technical infrastructure that improved customers performance and usability;

- the addition of an option to register the real payer on all payments over €5,000, if different from the person that executes the payment;

- the digitisation of "payment service transfer" request to shift utilities, recurring transfers and liquidity from another current account to FinecoBank account;

- the digitisation of closing account request, starting from April 2022, with customer's digital signature;

- the introduction of the virtual version of the debit (Visa Debit) and reloadable (Visa and Mastercard) cards, which can be applied after current account opening at the moment;

- the raising of contactless limits to €50 for payment transactions made in Italy;

- the alignment of rate conditions applicable to the "revolving option" (annual nominal interest rate) of classic credit cards with those of "Extra" card;

- the introduction of a process that enable the "Extra" card holders to increase the instalments (from a choice of two predefined amounts);

- for UK customers only, the improvement of the onboarding process from the app with the introduction of a new identification method through a video selfie. The functionality, considered as strengthened customer verification for AML (Anti-Money Laundering) purposes, allows customers to request the opening of a FinecoBank current account directly from their smartphone and in full autonomy. The onboarding process through the app has also been strengthened through the integration of further automations that reinforce the process of verifying the genuineness of the identification document presented by the customer.

Following the COVID-19 health emergency, new processes were also put in place to enable financial advisors to continue acquiring clients remotely. In particular, an internal process was developed within the Bank allowing financial advisors to have their clients open a current account in complete autonomy, directly from the public area of FinecoBank website, proceeding with the simultaneous assignment.

The number of current accounts opened with FinecoBank has increased, the effect of which was mainly recorded in the balance of direct deposits, which rose from €29,495.3 million as at 31 December 2021 to €30,518.4 million as at 30 June 2022.

The number of current accounts, new accounts and active current accounts (i.e. accounts that have done at least one operation among Listed or OTC services) with FinecoBank in the United Kingdom has increased consistently since 1 January 2018.

Mortgages, credit facilities and personal loans

With respect to lending services, in the first half of 2022 FinecoBank continued to optimise its current loan portfolio. In particular:

- the maximum amount applicable for the instant approval personal loan product has been increased up to €20,000 when the minimum requirements are met;

- safeguards on mortgages loans have been improved to ensure the "coolig-off period" aimed at ensuring the customer's protection and products transparency;

- FinecoBank introduced the first credit product designed for legal persons (i.e. the "Pledge Overdraft" product).

Furthermore, the credit lines guaranteed by securities granted in the first half of 2022 totalled €669 million (€663 million related to "Credit Lombard" product, €5.1 million related to credit facilities secured by pledged

and €0.9 million related to credit facilities with mandate for sale), equal to 98.5% of total amount of credit lines granted.

Brokerage Services

FinecoBank provides its brokerage services mainly through direct channels (online and mobile) on the basis of three proprietary operating platforms that it has developed internally, in addition to making these services available by phone through its customer contact center. These platforms allow different types of clients to access its brokerage services quickly and conveniently, and these platforms are characterised by easy-to-use interfaces and an innovative design. FinecoBank's platforms consist of:

- **Web Platform**: this base platform that is offered to all clients can be customised on the basis of the client's profile and offers a wide range of tools for trading on markets, such as real-time reporting, complete with professional diagrams and accessory services;

- **Mobile Application**: a platform accessible via mobile devices (including both smartphones and tablets) is offered to all clients, updated in real-time; and

- **PowerDesk**: a professional platform is offered upon payment - this platform is automatically updated in real-time, displays advanced diagrams, and contains professional analysis and research, as well as sophisticated tools for trading.

As of 30 June 2022, FinecoBank had approximately 228,000 active clients of its brokerage services. As of 30 June 2022 FinecoBank's brokerage platform had access to 26 global markets, bonds, ETFs, futures and 21 currencies, both online and mobile.

The Issuer's brokerage operations are fully integrated with its bank account services and information technology infrastructure, and do not require clients to open a separate account or activate access to these services, which the Issuer believes facilitates cross-selling of its services.

In addition to the aforementioned factors, the Issuer believes there are several aspects of its brokerage operations that distinguish it from its competitors. Due to FinecoBank's significant trading volumes and broad client base, it is able to act as a systematic internaliser on stocks, bonds, and foreign exchange markets, acting as a direct counterparty for its clients' orders (or by trading on its own behalf) without transmitting the orders through third parties. This enables the Issuer to maximize margins on the execution of orders for its clients, reducing the cost of execution on regulated markets, and permits the Issuer to develop specific, internal insight into market modelling and execution systems.

FinecoBank also provides its clients an on-demand margin setting service, within predetermined limits. This service enables clients to undertake leveraged purchase and sale transactions of securities (both long and short), thereby committing an amount equal only to a percentage of the market value of the securities traded. This amount represents the transaction's collateral security margin. The transaction is unwound automatically when a pre-set percentage of the collateral security margin is lost, and this allows clients to manage their exposure to trading and to avoid incurring losses that are higher than the amount withheld. When clients use the margin setting service, in addition to paying fees, FinecoBank receives the payment of interest on the amount of the open position (i.e. on the balance between the value of the securities and the collateral security margin).

FinecoBank has developed a leading position over time in the Italian brokerage market. As at 30 June 2022, it was the leading Italian brokerage bank in the Italian Association of Financial Intermediaries and Financial Markets (**Assosim**) ranking of brokered volumes on the Italian Stock Exchange, with a market share of 25.7% of brokered volumes (Source: Assosim). For the year 2022, the average client breakdown by number of executed orders on registered securities and other products was as follows: i) 84% of clients executed 1 order per month, ii) 12% of clients executed 20 orders per month and iii) 4% of clients executed 100 orders per month.

In connection with its brokerage services, FinecoBank also offers securities deposit and administration services for its clients, in addition to receiving and transmitting orders. As of 30 June 2022, FinecoBank was the leading operator for trading on behalf of third parties on the Mini-Futures index (39.94% market share) (Source: Assosim).

FinecoBank provides its clients access to trading in securities on major Italian and international markets, in addition to occasionally matching orders and crossing trades internally between clients. Its brokerage services provide clients access to a wide range of trading products that include, among others, stocks, bonds, ETFs, futures, options, CFDs (on currencies, indices, stocks, bonds, and commodities), and structured products (i.e., certificates).

For equity and debt markets, FinecoBank provides its clients the ability to trade domestically in Italy on the MTA, EuroTlx, EuroMot, and Vorvel, and on major European markets, including those in Germany, the United Kingdom, France, Spain, Switzerland and the Netherlands. In the United States it provides its clients access to the NYSE, NASDAQ and AMEX. FinecoBank also offers the ability to trade in derivatives on the Italian Derivatives Market (IDEM), European Derivatives Exchange (EUREX) and Chicago Mercantile Exchange (CME). FinecoBank is a direct member in almost all the markets on which its clients trade in securities (except for the markets in Finland, Switzerland, Spain and the United States, where it provides a service of receiving and transmitting orders). This enables FinecoBank to improve the level of service provided in terms of trading speed and quality of information flow on its platforms.

FinecoBank charges its clients fees for the brokerage services it provides, based on the type of market and securities involved for each order, and these fees decrease based on increases in the number of transactions performed by the client. It also charges specific monthly fees for the use of the Power Desk platform.

In the first half of the 2022, the expansion of the range of products and services offered by FinecoBank was characterised in particular by:

- the extension of the trading hours for CFDs with underlying indices and commodities of the CME and the trading hours of the "Knock Out" with underlying currency crosses until 10:50 p.m.;
- the expansion of the offer in Over-The-Counter derivative financial instruments (CFDs and "Knock Out") with underlying futures on cryptocurrencies: Bitcoin and Ethereum;
- the extension of the "Vorvel Certificates" segment of the Vorvel market (from 08:10 a.m. to 09:55 p.m.) for the negotiation of "Fineco Turbo Certificates".

Investing Services

As part of the Issuer's shift in its investment platform from an open architecture model to a guided open architecture model, beginning in 2010, FinecoBank offers customers an extremely wide range of asset management products - comprising collective asset management products, such as units of UCITS and SICAV shares - from carefully selected Italian and international investment firms, pension and insurance products as well as investment advisory services. The guided products that FinecoBank offers currently consist of multi-segment funds of funds that allow its clients to diversify their risk exposure by spreading that risk across a number of issuers and products rather than investing in a single issuer or security. The Issuer's clients have expressed a growing interest in these types of products, based on their better risk/return ratio, and they are also more profitable for FinecoBank as compared to the other products offered to investors.

The asset management products that FinecoBank offers generally provide for the payment by the investor of commissions consisting of: (i) upfront fees; (ii) management fees; and (iii) performance fees. These commissions are paid by the investor to the investment firm, and FinecoBank typically receives a payment from the investment firm of a part of the upfront fees (if any) and the management fees. FinecoBank reviews

the fee structure applied by the investment firms on an ongoing basis, particularly regarding the performance fees, in order to verify compliance with international standards of fairness.

The placement agreements usually provide that the upfront fees paid by the clients are fully paid by the investment firms to FinecoBank, and also set forth the share of the management fees that the investment firms will pay FinecoBank. FinecoBank does not earn any performance fees.

Insurance Products

The Issuer currently distributes life, insurance-based investment products and retirement insurance policies on the basis of placement agreements with CNP Vita Assicurazione S.p.A., Eurovita S.p.A. and Lombard International Assurance S.A..

Unit-linked insurance policies (or branch III product category) are of particular strategic importance for FinecoBank business, as they enable its clients to invest in asset management products while providing certain tax and other advantages over a direct investment.

Specifically, "Core Unit" and "Advice Unit" products allow FinecoBank's clients to obtain both the typical advantage of insurance products (namely, estate planning and tax efficiency) and the typical benefits of guided products (including the opportunity to invest in multiple asset management products at the same time).

Furthermore, "Core Multiramo" products (or multi-branch policies) have also become very popular and largely distributed, combining the return opportunities offered by unit-linked policies with the capital protection provided by separate accounts.

FinecoBank also distributes the following life and retirement insurance products:

- Whole life insurance policies (CNP "Top Valor" series and Eurovita "Focus Gestione" series) offering capital protection with a valuation that is intended to never be negative, due to the high concentration of investments in government securities.

- Individual pension plan policies (Core Pension) enabling clients to build a supplementary retirement pension through flexible, customised accumulation plans.

- Term life insurance policies (CNP Top Defense and Eurovita High Protection) that are aimed at ensuring financial support to beneficiaries in case of specific life events impacting the policy holder.

Retirement Products

FinecoBank makes open-ended pension funds and individual retirement plans available to its clients through placement agreements with Amundi, Arca SGR S.p.A., Anima SGR S.p.A. and CNP Assicurazioni S.p.A.. FinecoBank's range of retirement products is characterised by diversification both in terms of investment firms and in terms of categories of products distributed (multi-segment lines, capital protection lines, minimum guaranteed yield lines, etc.).

The funds offered are relevant for clients interested in setting up an individual or collective supplementary pension plan. These products entitle the subscriber to receive, upon reaching retirement age, the payment of an annuity that is in certain cases coupled with a clause that permits for survivorship benefits.

Fee based investment advisory services

FinecoBank offers its clients investment advisory services through its financial advisors, based on customised recommendations on specific financial products and investment strategies, with the objective of ensuring that its clients' investments reflect their risk profile and yield targets, while enhancing portfolio diversification. FinecoBank offers traditional advisory services and two advisory services. The first service, called Advice,

was launched in 2010 as part of the guided open architecture model, this is a guided service that: (i) minimizes the potential conflict of interest of the financial advisor through a compensation structure that provides for a transparent payment for advisory services, regardless of the fees earned by FinecoBank and the financial advisor for the placement of products in the client's portfolio; and (ii) supports the financial advisor's activities by supplying internally developed technical tools and investment models that reflect different risk/return profiles.

More specifically, as part of this enhanced advisory service, the financial advisors determine the most appropriate asset allocation for the client on the basis of his or her risk/return profile, by using models that allow the advisor to:

(i) carry out a review of the client's portfolio, including both assets invested with FinecoBank and assets invested with other credit institutions, with a detailed mapping of the client's asset allocation, the risk/ return profile of the portfolio, the cost of each security in this portfolio, and the portfolio's overall performance; and

(ii) monitor the portfolio, and provide financial advice on an ongoing basis concerning asset allocation, the securities in the portfolio (with a view to high quality products in terms of, among other things, rating and liquidity), and the consistency of these securities with the risk/return profile of the client.

FinecoBank charges its clients a monthly fee (a portion of which is paid to the financial advisor) for these enhanced advisory services, which are determined in consultation with the financial advisor on the basis of the risk/return profile and timeline of the investments that are made, independent of the fees earned by the investment firms for the products in the client's portfolio. The fees for this enhanced advisory service are generally more profitable for FinecoBank with respect to the mere placement of securities in FinecoBank's clients' portfolios, in consideration of the higher value added of this service.

As of 30 June 2022, the Issuer offered nine multi-asset risk/return profiles, in the context of its enhanced advisory services, which draw from the products in its investment platform (investment funds, SICAV open-ended funds, ETFs, government treasuries, corporate, and supranational securities).

Since 2018 FinecoBank offers a second advisory service called Plus, dedicated to the FinecoBank network: a consulting contract through which the consultant can offer its customers highly diversified and freely customisable portfolios.

The main differences between Plus and Advice are: pricing model, portfolio monitoring in Advice, wider range of eligible assets and new look through reporting dedicated to Plus.

The pricing model of Plus is "fee on top", so on average is lower than Advice but it is added to the management fees of the AUM.

It is worth noting the entry into the platform of Fineco AM's funds. Starting from September 2018, Fineco AM launched the new range of funds under delegation, using partnerships with the best international managers. Fineco AM's structure will take full advantage of the opportunities offered by FinecoBank's open architecture and it is expected it will allow FinecoBank to more closely cater to its customers' needs, to more efficiently select products and achieve greater profits through its vertically integrated business model. See "*Asset Management Activities – Fineco AM*" below.

With regard to pension products, at the end of June 2022, customers increasingly focused on the Core Pension, an open-end pension fund of Amundi for long-term investments exclusively accessible directly online or through web collaboration PFA. With respect to insurance advisory services, in the first half of 2022 the range of products was extended through (i) the addition of two tariffs with bonuses to "Multiramo Private" product, completing the range of products with a line dedicated exclusively to the high net worth individual (i.e. private

customers with total financial assets of over €1,000,000) and (ii) the launch of the new "Multiramo Flex" with recurring premiums including a "private" version.

Despite the complex market situation, characterised by the return of volatility, FinecoBank's network of personal financial advisors has confirmed its ability to act as a privileged interlocutor in the financial planning of customers. The total net sales recorded as at 30 June 2022 amounted to €5,636 million, substantially in line with the record result of € 5,787 million recorded in the first half of 2021, even if with a different composition. As at 30 June 2022, the net sales of assets under management amounted to € 1,702 million. As at 30 June 2022, the sales from advisory services amounted to €443 million and 32,161 were the current accounts opened through the network of personal financial advisors.

With regard to the private segment, as at 30 June 2022 the overall assets amounted to approximately €43.3 billion, referring to about 44,000 clients.

Asset Management Activities – Fineco AM

FinecoBank's wholly-owned subsidiary, Fineco AM, is a UCITS management company incorporated on 26 October 2017 in the Republic of Ireland with the aim to offer its customers a range of UCITS, with a strategy focused on the definition of strategic asset allocation and selection of the best international managers, and therefore, diversify and improve the offer of asset management products and further increase the competitiveness of FinecoBank through a vertically integrated business model.

As at 30 June 2022, the volumes of net assets under management managed by Fineco AM amounted to €24.5 billion, of which €14.6 billion were retail class and €9.9 billion institutional class.

DISTRIBUTION NETWORK

FinecoBank operates through a multi-channel structure, relying on a network of financial advisors as well as "direct" online and mobile channels. FinecoBank also relies on the support of the network of bank branches and ATMs of the UniCredit Group and its customer contact center, which allows clients to contact FinecoBank by phone, email and through instant-messaging services. FinecoBank acquires new clients primarily through its financial advisors who promote FinecoBank and the services offered at a local level—whether through personal contacts, word-of-mouth advertising, client events and marketing initiatives that are organised locally—while also relying on FinecoBank's marketing and communications campaigns.

Financial Advisors

FinecoBank's network of personal financial advisors, or PFAs, operate throughout Italy and provide investment advisory services to clients, whilst promoting the investment products that FinecoBank distributes. In advising clients, FinecoBank's financial advisors are aided by the fact that many clients use FinecoBank as a "one-stop solution" for their financial needs, allowing the financial advisors to easily understand the full financial profile of clients and their investment needs.

In terms of size and managed assets, FinecoBank's personal financial advisors network is the third largest in Italy. It is one of FinecoBank's key business channels, both in terms of acquiring new customers and of managing and retaining existing ones. To support the financial advisors in their work, FinecoBank adopts a cyborg-advisory model: thanks to an advisory platform extremely advanced from a technological point of view and extremely modern in terms of advisory solution offered, financial advisors can manage, also through remote connection, a bigger number of clients, always providing a timely assistance and constant innovation in terms of new proposals and rebalancing accordingly with the evolution of the market scenario and customer needs.

Moreover, starting from FinecoBank's open architecture, one of the most complete on the market, the investment solutions (so called **Guided Products and Services**) allow personal financial advisors to work with no conflicts of interest, providing the best answers to customers.

FinecoBank internally developed X-Net, a cyborg advisory platform for its personal financial advisors. The personal financial advisor is at the heart of a system characterised by advanced digital services which simplify its job and strengthen the relationship with the customer. The X-Net platform represents one of the pillars of FinecoBank's advisory model as it leverages on a cyborg advisory concept which, differently from a pure robo-advisory approach, maintains the importance of a financial advisor but with the essential support of technology. Moreover, customers can easily, quickly and safely manage the investment proposals through the web and mobile collaboration service, available from mobile and PC, even more simplifying the interactions between personal financial advisors and clients. The personal financial advisors therefore benefit from a faster and paperless activity and customers benefit from a more flexible service. This service is fully integrated into X-Net.

The following table sets forth the growth of total financial assets of FinecoBank clients that were managed by financial advisors as of 30 June 2022 and 30 June 2021, as well as the net sales realised through the network of financial advisors for the six months ended on 30 June 2021 and 30 June 2022. This break down allows to identify the contribution to the net sales from: (i) the recruitment of financial advisors, (ii) the organic growth of FinecoBank's network of financial advisors, and (iii) market effect. The table also shows the growth of the size of FinecoBank's network of financial advisors for the period under review, as well as the average amount of total financial assets managed by each financial advisor.

		30 June 2022	**30 June 2021**
	(in thousands of Euros, except number of PFAs)		
TFA Associated with PFA network		90,077,691	88,791,995
Total Net Sales		4,935,318	5,545,294
Number of PFAs		2,887	2,731

As of 30 June 2022, FinecoBank's network consisted of 2,887 financial advisors, who were coordinated by 180 group managers and 26 area managers (who are also financial advisors). The area managers report directly to the Financial Advisors Network Central Office. The Financial Advisors Network Central Office is supported by local coordinators, who are FinecoBank employees engaged in overseeing and supporting its commercial activities across Italy.

Without any commercial campaigns and despite the market effect, the average portfolio of the network remained substantially unchanged compared to the same period last year (€31.2 million as of 30 June 2022 compared to €32.5 million as of 30 June 2021), reflecting the healthy collection activities carried out in the past and the solid trust relationship established with customers.

FinecoBank's financial advisors are not its employees, but rather enter into agency agreements with FinecoBank that engages them in the promotion and placement of the products FinecoBank offers across Italy. These contracts require that the financial advisors promote and place FinecoBank's products exclusively.

Fineco Centers

FinecoBank's financial advisors primarily work from the bank's Fineco Centers, which are physical offices throughout Italy. As of 30 June 2022, the Issuer had 423 Fineco Centers. Fineco Centers, which originally started as a simple workspace for the financial advisors, quickly evolved into multi-functional spaces that are a key point of client contact, complete with multimedia information displays, LCD digital video walls and

dedicated areas for courses and events. Fineco Centers are located in the central areas in all of Italy's principal cities, and many of these serve as "flagship stores" that play an important role in FinecoBank's marketing campaign. FinecoBank's marketing strategy is focused on reinforcing the idea that it is a truly multi-channel direct bank, while also encouraging interaction with its financial advisors. The following table sets forth the number of Fineco Centers and personal financial advisors in each region throughout Italy as of 30 June 2022.

REGION	**NO. FINECO CENTERS**	**NO. PERSONAL FINANCIAL ADVISORS**
Lombardy	73	602
Piemonte	40	285
Veneto	38	202
Sicily	36	196
Lazio	33	336
Tuscany	30	206
Emilia Romagna	28	187
Campania	27	271
Puglia	19	104
Liguria	16	116
Marche	13	102
Abruzzo	10	59
Friuli Venezia Giulia	10	55
Trentino Alto Adige	10	26
Calabria	7	32
Umbria	6	51
Basilicata	4	16
Sardinia	4	29
Molise	2	6
Aosta Valley	0	6
Total	423	2,887

Online Channel

The online channel is one of FinecoBank's main distribution channels. It consists of FinecoBank's website (finecobank.com), which has a public section, accessible to current and potential clients without any login, and a restricted area, accessible only by clients through a dedicated login.

FinecoBank's website and the operating platforms accessible through its website are developed in-house and the Issuer believes they are a highly distinctive aspect of its offering, characterised by a high level of functionality, ease of use, and an innovative design interface. The Issuer dedicates continuous efforts to improving and optimising its website, information technology systems and underlying software applications in order to provide easier and more intuitive navigation, greater clarity of information and greater operating efficiency.

The online channel is used by all of the Issuer's clients, whether or not they are linked to a personal financial advisor. Clients use the website for information purposes (to consult and monitor their account balances, investments and the performance of the financial markets) and as a system for directly carrying out transactions for their accounts (payment and other accessory services), and investment transactions on the Issuer's platforms.

The online channel also plays an important role in supporting financial advisors through the web collaboration service, which enables a financial advisor to send an advisory proposal in real-time to a client through the restricted area of the website. The client is then able to quickly evaluate the proposal and decide in real-time whether to accept it. The web collaboration service embodies the Issuer's business vision, in which the online channel is not conceived of as independent from or competing with the network of financial advisors, but an integrated part of their services simplifying client interactions and supporting their advisory function while reducing costs (by minimising paperwork and reducing reliance on back office support).

Mobile Channel

As a result of the market success of smartphones and tablets and the applications, or "apps," developed for these devices, the mobile channel has increasingly gained relevance over the years, thanks in part to FinecoBank's internal development of apps for its banking and brokerage services that are specific to different devices and operating systems.

Additional Service Support

FinecoBank's distribution network also relies on a customer contact center and the UniCredit network of bank branches and ATMs for providing its clients with integrated and complementary support for their ordinary information and transaction needs. Since 2008, FinecoBank clients have been able to carry out ordinary banking transactions (such as cashing or depositing checks, cash withdrawals, sending wire transfers, and making tax or bill payments) at the approximately 2,042 branches and 2,042 "advanced" ATMs of the UniCredit Group (which offer a broader array of services than basic withdrawal-deposit ATMs), on the same financial terms that are available to them through online banking. FinecoBank clients can withdraw up to €3,000 daily from UniCredit Group ATMs for a maximum of 6,000 per month.

ORGANISATIONAL STRUCTURE

FinecoBank's current organisational model is based on a functional model, which favours economies of scale and facilitates the development of vertical skills and knowledge within each area. The model guarantees the necessary decision-making mechanisms, whilst maintaining the "horizontal link" between the various functions. Although the current arrangement applies the concept of "functional specialisation", a project-based approach is maintained for every phase of definition and release of products and services.

The horizontal links are guaranteed by the work of specific committees that monitor business lines and the progress of the most important projects, also to guarantee the necessary synergies of distribution channels.

The organisational model envisages the identification of corporate control functions, as follows: i) compliance with laws and regulations; ii) risk management; iii) internal audit and iv) further direction, support and/or control functions, including the Chief Financial Officer, Legal Affairs, Chief People Officer, Corporate Identity and the control function in respect of the network of financial advisors.

Furthermore, the organisational model identifies three further functional lines, which govern:

- the sales network (Network PFA & Private Banking Department), to monitor, manage and develop the network of financial advisors;
- the business (Global Business Department), to monitor the development of products and services offered to customers;
- the operational functioning (Global Banking Services Department), for the coordination of the organisational structures in charge of overseeing the organisational and operational processes, information systems and logistics, necessary to guarantee the effective and efficient operation of the business systems.

The synergies between the distribution channels and the monitoring of decision-making processes that cut across the departments are ensured by a Management Committee.

The following organisational structures report to the Chief Executive Officer and General Manager: the PFA Network & Private Banking Department, the Global Business Department, the Chief Financial Officer's Department, the Chief Risk Officer's Department, the Chief Lending Officer Department, the Network Controls, the Monitoring and Services Department, the Legal & Corporate Affairs Department, the Global Banking Services Department, the Chief Financial Officer Department, the Compliance Unit, the Regulatory Affairs Team and the Identity & Communications Team.

The Internal Audit Function reports directly to the Board of Directors, which has a strategic supervisory function.

The Board of Directors resolved, effective from 1 January 2022, to reorganise the Compliance Department in order to qualitatively and quantitatively strengthen the regulatory compliance function, better organising the department by identifying vertical controls in specific areas (for example, in the areas of banking transparency and customer protection). Similarly, it was decided to rename the "Human Resources Department" in the "Chief People Officer Department", as well as the renaming of direct reporting structures, to be more consistent with the current context and to highlight the central role of people.

GROUP MANAGEMENT SYSTEM

FinecoBank, as the parent company, is responsible for maximising the long-term value of the FinecoBank Group as a whole, guaranteeing the unitary governance, direction and strategic control of the Group. FinecoBank has defined rules for the governance of the FinecoBank Group, in order to fully exercise its role in managing and coordinating the FinecoBank Group[16], and has outlined the FinecoBank Group's managerial and functional management system and set out the key processes between FinecoBank, as parent company, and its subsidiaries.

[16] In accordance with Article 61 of Legislative Decree no. 385 of 1 September 1993 (the Italian Banking Law) and the supervisory instructions issued by the Bank of Italy.

FinecoBank ensures the coordination of the FinecoBank Group's activities with a management system based on the concept of "competence lines", through the strong functional link between the structure of FinecoBank, as parent company, and the related organisational structures of the subsidiaries.

The "competence lines" are represented by the organisational structures (functions) operating between FinecoBank and its subsidiaries which have the objective of directing, coordinating and controlling the activities and risks of the FinecoBank Group as a whole and, through the organisational structures (functions) present locally, of the individual FinecoBank Group companies. The "competence lines" operate in the following areas: Investor Relations, Finance and Treasury, Planning and Control, Accounting & Regulatory reporting, Planning and Tax Affairs and Advisory (Chief Financial Officer), Risk Management (within the Chief Risk Officer area), Credit (within the Chief Lending Officer), Legal/Corporate, Compliance, Internal Audit, Chief People Officer Department, Identity & Communication, Organisation/Business Continuity & Crisis Management, Information & Communication Technology, Security, Purchasing (Global Banking Services).

With the aim of achieving a strong functional and managerial connection at group level, within the constraints set by applicable local laws and regulations, the managers of the "competence lines" have a direct role and, in compliance with the responsibilities of the corporate bodies of the FinecoBank Group, specific powers of direction, support and control with reference to the corresponding functions of the FinecoBank Group companies (always in coordination with the top management of the respective companies), for the purpose of:

- defining budget objectives, policies, guidelines and models of competence, in agreement and after consultation with the heads of the business functions and top management of the FinecoBank Group companies;

- monitoring the implementation of policies and models of competence, through the examination of specific reports transmitted by the relevant departments of the FinecoBank Group companies;

- issuing non-binding opinions on the definition of the internal organisational structure of the relevant departments of the FinecoBank Group companies; and

- formulating recommendations and proposals for the appointment and career path and for the implementation of performance evaluation and short-term incentive systems of line managers, in agreement and after consultation with the top management of the FinecoBank Group companies and with FinecoBank's HR Manager. The recommendations and proposals must be addressed to the competent body of the FinecoBank Group companies and submitted for approval. If the line manager is the company's top manager, the recommendations are directly delegated to the assessment of FinecoBank's CEO, after gauging the opinion of the relevant heads of the "competence lines".

INFORMATION TECHNOLOGY

FinecoBank's information technology allows its distribution network to be completely integrated with both its internal operating structure (including the administrative, financial, accounting, and regulatory functions) and the applications that its clients use to access services dedicated to them. FinecoBank provides its services using one single technical platform, logically made up by several components, namely core banking, brokerage, market data, omnichannel interfaces (web, mobile, CRM, voice etc).

Integration between components, data and services is achieved by using an internal integration layer adopting a "service oriented" API paradigm. External components (cloud based applications, InfoProviders feeds, partners applications) are directly integrated using a backend reverse API gateway or direct integration, according to third party capabilities.

Frontend interfaces provide services to final customers. This is done for every product lines and services.

The current architecture is structured on several logical layers, segregated in terms of networks and delivery systems:

- frontend layer for web, mobile and phone banking applications;
- backend layer for the delivery of core applications such as banking, trading, general accounting, management and supervisory reporting;
- data layer where all data, structured and unstructured, are stored and managed;
- technical integration layer that allows the three previous layers to interact and integrate with the third-parties (info-providers, stock markets, payments network hubs, settlement counterparties, partners, etc.).

Main goals of FinecoBank architecture are aimed at having "horizontal" scalability, providing services that are delivered in a distributed manner and keeping in-house the development and management of value-added applications that represent a competitive edge for FinecoBank.

FinecoBank IT systems are designed and managed to deliver highly reliable and performing services, whilst keeping a high level of efficiency in terms of costs. FinecoBank's internal IT processes are characterised by a high level of automation and the Issuer manages most of its technology infrastructures and software applications directly through its Information Communication and Technology Office (composed by 216 employees as of 30 June 2022). This helps in keeping technology total cost of ownership (TCO) relatively lower compared to the average one for financial industry and strongly reduces the need to provide information to outsourcers, thus limiting the risk of third parties breaches. Exceptions to direct solution development are certain software solutions licensed from third parties, where standard package mainteinance is entrusted to these same third parties.

FinecoBank is able to leverage on specific internal know-how in designing and defining interfaces, and in enhancing ease of use of the operating platforms. Website and mobile app innovation is an ongoing process, in which FinecoBank also considers input from clients, to improve the service provided, optimise the interfaces and the accessibility, and generally improve ease of use of its various services.

Managing cyber risk is key for FinecoBank considering its business proposal as an omnichannel bank. Therefore, the Issuer pays particular attention to the security of its online channels, investing significantly in maintaining the strength of this channel's security without complicating the access to the website and mobile apps for clients.

In order to guarantee security of its IT systems, FinecoBank has deployed a range of technical and administrative security measures, e.g. next-gen firewalls, intrusion detection and prevention systems, anti-malware, sandboxes, systems hardening, network segregation, a 24X7 SOC (Security Operation Center), internal policies and procedures, and an ample control framework. In designing such security measures, FinecoBank continually seeks to balance the need for keeping a high level of usability and availability for its customers maintaining, at the same, a strong security posture.

The Issuer has also adopted a formal and comprehensive "Security Incident Response Plan", articulated on several levels: governance, organisation, operations and reporting. Cybersecurity and fraud management processes are managed in-house, with dedicated teams, both part of ICT & Security department. Governance, architecture, implementation and operations for cybersecurity & anti-fraud are managed internally by highly-skilled staff.

External, renowned providers are used to complement its internal solutions (e.g. anti-DDOS cloud solution for cyber defence, EMV3DS cloud solution for PSD2 compliance etc.).

Cybersecurity is taken seriously in FinecoBank, with a considerable share of its technology budget invested in cybersecurity solutions. FinecoBank chose to keep in-house most of its software development and a security software development life cycle is followed, thus including security controls in requirements, design, coding, release and operation phases.

Cybersecurity in FinecoBank has been, from the beginning, an integral part of a larger software development cycle and constitutes one of the top priority when releasing services to customers.

Moreover, FinecoBank is focused on its specific and peculiar business model, keeping a strong alignment between business and technology; this makes easier to cope with cybersecurity fast evolving environment without damaging service usability and user experience.

The objective of maintaining a high standard of security is verified, on an ongoing basis, also through benchmarking with industry and market fraud levels, both for banking and cards (credit/debit) management.

In order to provide its services and host its infrastructure, the Issuer uses two data centers located off-site from its main premises. The datacenters are to be considered top-tier in terms of reliability, with a full range of security and safety measures aimed at keeping them active even in spite of potential adverse scenarios. These data centers are totally independent from each other and are configured to work at the same time, in a load balancing fashion. As required by applicable regulations, FinecoBank has adopted a model that comprises organisational units dedicated to managing "Business Continuity and Crises", both in normal operating conditions and in emergency situations. FinecoBank's "Business Continuity and Crisis Management" framework includes the management plan for emergency events and the business continuity plan, a full-fledged disaster recovery plan (which establishes the measures for the restoration of applications and information technology systems impacted by potential disasters) and the cyber attack plan (which sets out the strategies for handling small and large scale cyber attacks). In terms of customer protection, FinecoBank has in place clear policies, frameworks and governance which cover all its processes, from the design of products and services to training, incentives, and client interaction. The Issuer ensures the compliance with data protection rules by adopting the principles prescribed by Italian legislation, implementing Directive 95/46/EC through a new "Global Policy on Privacy". In April 2016, the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **GDPR**) was approved by the EU Parliament. The new data protection regime entered into force on 25 May 2018 and became directly applicable in all Member States of the European Union without the need of implementing national legislation. As part of the Issuer's commitment to data protection, compliance risk assessment and second level controls aim to identify, monitor and manage compliance risks in this regulatory area. With specific reference to the GDPR, FinecoBank's Compliance constantly monitored the regulatory updates and supported the various functions involved (mainly Organization, ICT, Security) in the process of adjusting to the new regulation through the gradual implementation of identified software solutions. Every year the Data Protection Officer of FinecoBank prepares and submits to the Board of Directors and to the Board of Statutory Auditors, after having been examined by the Risk and Related Party Committee, the "Data Protection Officer report of FinecoBank S.p.A." (last Data Protection Officer report of FinecoBank was summitted on March 2022); the purpose of the report is to summarize the results of the activities carried out and the initiatives undertaken to protect the personal data processed and manage any potential risk of breach, the ascertained malfunctions and the relative corrective actions taken, as well as the training of staff, in compliance with the requirements of the GDPR.

During 2022, the Information and Communications Technology & Security Department carried out its usual activities for technological renewal, consolidation and development of the information system in order to provide new and more versatile added value services to customers with a focus on the issues of operational process efficiency, consolidation and development of the information system, aimed at providing innovative, reliable, interoperable and open services that improve the experience of customers and financial advisors, as well as ensuring adherence to the opportunities offered by the regulatory landscape. The main project activities completed include:

- the new fully featured trading platform (FinecoX);
- the extension of the range of products offered in both trading and banking;
- new services offering service to support customers, especially with a view to simplifying and digitalizing the offer;
- the application optimization with particular attention to issues of efficiency of operational processes;
- the extension of analytics tools with a view to data-driven organization, to strengthen the analysis and correlation of data and improve the customer experience; and
- change and updating of products and services to implement new laws and regulations.

From an architectural point of view, disruptive and innovative project initiatives were also carried out at infrastructural level, through the introduction of specially designed technologies aimed at providing a significant contribution in terms of resiliency and security. In addition to this, infrastructural and application optimization and the continuous improvement and tuning of the architecture continued, in line with regulatory requirements and constraints, with the usual attention to the Issuer's digitalization issues.

RESEARCH AND DEVELOPMENT

FinecoBank's research and development activities are shaped by its business model. To promote technical solutions in line with FinecoBank's mission, research and development is focused on developing software that enables the provision of increasingly innovative financial advice together with exclusive own-account trading.

The Issuer focuses particular attention on development and innovation of its IT systems, both hardware and software, as these are key elements to maintain a leading position in the market for online financial services. The amounts invested for these purposes were equal to €12,447 thousand in 2021.The Issuer invests heavily in research and development, particularly for IT and design interfaces, in order to ensure excellence of its proprietary operating platforms, which represent a key success factor in the market in which it operates. FinecoBank's research and development investment also focuses on all components of its website and the other channels of its distribution network.

More specifically, the main software applications that have been developed over the years are:

- "Advice": a computer program through which the Bank enables its personal financial advisors to offer a professional advisory service to customers who want a personalised financial plan;
- "Internaliser": a computer program through which FinecoBank executes customer orders in its own account relating to trading on financial markets as an alternative counterparty to the market; and
- "Powerdesk and Webtrading": a software that allows FinecoBank to offer customers sophisticated and efficient tools for online trading on the main international financial markets and simple solutions to complement the direct banking services.

PROPERTY

The Issuer leases most of the property it uses in its business throughout Italy, including its headquarters located at Via Rivoluzione d'Ottobre 16, Reggio Emilia. The Issuer also has two data centers, one of which is located in Milan and the other is located in the Milan suburb of Pero.

On 31 January 2019, FinecoBank acquired from Immobiliare Stampa S.C.p.A. (part of the Banca Popolare di Vicenza Group) the bank's registered office in Piazza Durante 11, Milan. The building, part of which was

leased up until that date, is used as office space. The transaction was completed at a price of €62 million, and the property is accounted on the financial statements also considering taxes and initial direct costs.

INTELLECTUAL PROPERTY AND LICENSING

The Issuer is the owner of the Fineco trademarks—including the Italian figurative trademark "Fineco The New Bank" (No. 362020000050431), the Italian word trademark "Fineco" (No. 362019000137420) in classes 35, 36 and 45, the Italian word trademark "Fineco" (No. 362020000126178) in classes 09, 16, 35, 36, 38, 41 and 42, the Italian figurative trademark "Fineco" (No. 0001631072) and the Italian figurative trademark "Fineco Bank" (No. 302016000030943), which it uses in its operations. Such trademarks also include the names Fineco, FinecoOnline, Fin-Eco. The Issuer also owns the trademarks MoneyMap, PowerBoard, PowerBook, PowerChart, PowerDesk, Fineconomy and "F". All of its primary trademarks are registered in Italy and many of them are registered in other countries and internationally.

The Issuer has registered and owns the rights to the domain names for its primary websites (finecobank.com, finecobank.co.uk, fineco.it and mobile.fineco.it) and several other domain names that use derivatives of the Fineco name under the Italy-specific ".it" top-level domain name, such as www.finecobanca.it and www.finecobank.it. The Issuer has also registered a number of its product names under the ".it" top-level domain name, including www.logostrader.it and www.cashpark.it. In addition, it has registered the domain name "finecobank" under 32 country-specific and other top-level domain names, for example, www.finecobank.de, www.finecobank.co.uk and www.finecobank.info, as well as registering other derivatives of its brand and product names. It does not, however, own the rights to several domain names that use the Fineco name, such as www.fineco.com, and this may lead to confusion with clients or other users that seek to access the Issuer's services. See "*FinecoBank may not be able to adequately protect its intellectual property rights in foreign markets*" under section "*Risk Factors*".

MATERIAL CONTRACTS

As part of FinecoBank's exit from the UniCredit Group, with a view to continuity and in the interests of the shareholders of both banks, FinecoBank and UniCredit entered into the following agreements:

Pledge Agreement

A pledge agreement dated 21 January 2020 was entered into between UniCredit as pledgor and FinecoBank as pledgee (the **Pledge Agreement**) for the provision by UniCredit of collateral in favour of FinecoBank to mitigate, for regulatory capital and large exposure purposes in accordance with Regulation (EU) no. 575/2013, certain exposures of FinecoBank *vis-à-vis* UniCredit.

In particular, the Pledge Agreement is aimed at mitigating the exposure of FinecoBank *vis-à-vis* UniCredit deriving from: i) the subscription of UniCredit Bonds, which will run off in 2024; and ii) the issue of certain financial guarantees (*fideiussioni*) by FinecoBank in favour of UniCredit.

Pursuant to the Pledge Agreement, UniCredit has granted in favour of FinecoBank a pledge under Belgian law over financial collateral as set out in the Pledge Agreement.

The Pledge Agreement contains provisions relating to the integration of the guarantee and substitution of the pledged collateral, which are aimed at enabling FinecoBank to comply with provisions related to capital absorption and large exposures under the CRD IV Regulation and other regulations applicable from time to time.

UniCredit has the right, at any time following a period ending 365 days after the occurrence of a change of control event (as described in the Pledge Agreement) and following consultation with the relevant supervisory authority (with the participation of FinecoBank), to the release of the pledge in the event of a change of control of FinecoBank (as determined under the Pledge Agreement).

Furthermore, FinecoBank has been progressively replacing UniCredit Bonds (representing as at 30 June 2022 approximately €2.4 billion of the total bonds portfolio, which amounts to a total of approximately €25.2 billion) with a diversified government bond portfolio. In order to optimise its portfolio by diversifying counterparties, starting from 2020 FinecoBank increased its exposure (in terms of nominal value) to sovereign debt.

Master Service Agreement

A Master Service Agreement was entered into on 7 May 2019 between FinecoBank and UniCredit (the **MSA**), aimed at allowing FinecoBank to continue operating for the period of time necessary until it is able to autonomously carry out those activities and services previously provided by companies of the UniCredit Group. In particular, pursuant to the MSA, UniCredit has undertaken to: i) continue to provide certain administration and back-office activities and services, as well as other ancillary services required for the performance of FinecoBank's activities; ii) continue to provide for a certain amount of time the services and activities envisaged by existing contracts between FinecoBank and UniCredit, on the same conditions, except for the contracts relating to operations at ATMs and branches and payment systems of the UniCredit Group which have been renegotiated to extend their duration; and iii) do everything within its power to support FinecoBank *vis-a-vis* third parties outside the UniCredit Group to ensure that contracts in place between such third parties and FinecoBank (including where the contracts were entered into by the UniCredit Group on behalf of FinecoBank) continue without interruption. The duration for which the activities and services have continued to be provided differs depending on the type of activity or service and, UniCredit has a right to terminate such activities and services on a change of control of FinecoBank, as set out in the MSA. In any case, FinecoBank completed an insourcing process at the end of June 2021. In particular, the MSA includes an agreement pursuant which FinecoBank's clients will continue to be able to access the entire Italian UniCredit network of branches and ATMs for the purposes of carrying out certain banking transactions (the **ATM Agreement**).

The ATM Agreement will be valid until 31 May 2029, upon which (unless FinecoBank terminates the agreement) it will be automatically renewed for a further 10 years until 31 May 2039, after which both FinecoBank and UniCredit will be entitled to terminate the ATM agreement upon 12 months prior notice. UniCredit also has the right to terminate the ATM Agreement before 31 May 2039 in the event of a change of control of FinecoBank, upon 12 months prior written notice (as determined under the MSA).

Except for the above contracts and for those entered into in the ordinary course of its business, FinecoBank has not entered into any material contracts which could materially prejudice its ability to meet its obligations under the Notes.

PRINCIPAL SHAREHOLDERS

As at 30 January 2023, the fully subscribed and paid up share capital of FinecoBank amounted to €201,339,553.80, divided into 610,119,860 ordinary shares with a nominal value of €0.33. As at 30 January 2023, on the basis of the information available to the Issuer as at 30 January 2023, the principal shareholders of FinecoBank were[17]:

PRINCIPAL SHAREHOLDERS	% OWNED
BlackRock Inc.	9.201%
Wellington Management Group LLP	5.441%
Capital Research and Management Company	5.050%
FMR LLC.	4.464%

[17] Source: Ownership Consob, significant holdings.

INTERNAL CONTROL SYSTEM

FinecoBank's internal control system seeks to ensure sound and prudent management of its business activities, with the purpose of achieving its targets, monitoring business risks and operating in compliance with applicable laws.

FinecoBank's internal control system comprises rules, procedures and organisational structures that involve all company levels, established to achieve the objectives of effective, efficient company processes (administration, production, distribution processes etc.), safeguarding the value of assets and protecting against losses, ensuring the reliability and integrity of accounting and operating information, the compliance of operations with applicable laws, as well as with policies, plans, regulations and internal procedures, and the consistency of organisational monitoring of developments of company strategies and changes in the reference context.

Circular no. 285 of 17 December 2013, as amended, defines the principles and guidelines to which the internal control system of banks must conform. The circular defines the general principles of the organisation, identifies the role and responsibilities of governing bodies, and sets out the characteristics and roles of corporate control functions. The internal control system must provide protective measures that cover all types of business risk. The primary responsibility for these tasks lies with the bank's bodies, each in accordance with its specific duties. The structure of tasks and lines of responsibility of corporate functions and bodies must be clearly specified. Banks must apply the provisions according to the proportionality principle, i.e. taking into account the operating scale and organisational complexity, the nature of the activities carried out, and the type of services provided. As part of the SREP, the ECB or the Bank of Italy verify the internal control system in terms of completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of banks.

In this respect, it is also worth noting that, with update no. 40th of 3 November 2022, the Circular No. 285 was amended in order to implement the EBA Guidelines on ICT and security risk management. Among the others, as of 30 June 2023, Italian banks (thus including FinecoBank) would be required to set up a second-level control function to manage and monitor over the risks associate with ICT and security. Alternatively, upon bank's decision, such tasks may be assigned to the pre-existing risk management and control functions, in line with the roles, responsibilities and competences of each of those functions, and provided that the relevant monitoring and managing activities would be properly performed and the technical competences requirements would be duly met. Italian banks are required to submit to the Bank of Italy a communication, describing the planned steps to be taken and the arrangements to be implemented to be compliant with these recently introduced changes, by 1 September 2023.

In accordance with the provisions laid down by the Supervisory Authority, FinecoBank's internal control system consists of a set of rules, functions, organisational structures, resources, processes and procedures aimed at ensuring the achievement of the following objectives, in compliance with the principles of sound and prudent management:

- verifying the implementation of FinecoBank's strategies and policies;
- containing risk within the limits set out in FinecoBank's Risk Appetite Framework;
- preventing FinecoBank's involvement, even if unintentional, in unlawful activities (with specific reference to money laundering, usury and the financing of terrorism);
- protecting the value of assets and preventing losses;
- ensuring the effectiveness and efficiency of corporate processes;
- ensuring the security and reliability of FinecoBank's information and ICT procedures; and

- ensuring compliance of transactions with the law and supervisory regulations, as well as internal policies, procedures and regulations issued by FinecoBank.

In terms of the methods applied, FinecoBank's internal control system is based on four types of controls:

- level one controls ("line controls"): these are controls for individual activities and are carried out according to specific operational procedures based on a specific internal regulation. Monitoring and continuously updating these processes is entrusted to "process supervisors" who are charged with devising controls able to ensure the proper performance of daily activities by the staff concerned, as well as the observance of any delegated powers. The processes subject to control relate to units that have contact with customers, as well as completely internal bank units;

- level two controls: these are controls related to daily operations connected with the process to measure quantifiable risks and are carried out by units other than operating units, on an ongoing basis. The Risk Management function controls market, credit and operational risks, as regards compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/return objectives; the Compliance unit is responsible for controls on non-compliance risks; for regulatory areas which already have types of control performed by the bank's specialised structures, monitoring of compliance risk is assigned to these structures based on the "Indirect Coverage" operating model;

- level three controls: these controls are based on analysis of information obtained from databases or company reports, as well as on-site controls. The purpose of these controls is identifying violations of procedures and regulations as well as periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and information system (ICT audit), on a regular basis, in relation to the nature and intensity of the risks. These controls are assigned to the Internal Audit function; and

- institutional supervisory controls: these refer to controls by the bank's bodies, including in particular the Board of Statutory Auditors and the Supervisory Body pursuant to Legislative Decree no. 231 of 8 June 2001.

Considering the functions and units involved, the Internal Control System is based on:

- control bodies and functions including, according to their respective responsibilities, the Board of Directors, the Risk and Related Parties Committee, the Remuneration Committee, the Appointments Committee, the Corporate Governance and Environmental and Social Sustainability Committee, the Chief Executive Officer and General Manager, the Board of Statutory Auditors, the Supervisory Body set up pursuant to Legislative Decree 231/01 and the corporate control functions (Risk Management[18], Compliance, Internal Audit) as well as other company functions with specific internal control duties;

- procedures for the coordination of entities involved in the internal control and risk management system, which provide for:

    - cooperation and coordination among control functions, through specific information flows that are formalised in internal regulations and through managerial committees dedicated to control issues;

    - definition of information flows between corporate bodies and control functions within FinecoBank.

[18] This function includes the Anti Money Laundering and Anti-Terrorism Function, responsible for managing the correct application of regulations on anti-money laundering and combating the financing of terrorism, headed by the Head of the Anti-Money Laundering Function.

In July 2017, FinecoBank was admitted to the Italian Revenue Agency's Cooperative Compliance Scheme pursuant to articles 3-7 of Legislative Decree 128/2015, which allows FinecoBank to take part in a register of taxpayers (published on the Italian Revenue Agency's official website) operating in full transparency with the Italian tax authorities. This is a fundamental milestone to keep FinecoBank's tax risk control system constantly shared with the tax administration in order to monitor its effectiveness and adequacy. Indeed, since 2017, FinecoBank has formalised - by resolution of its Board of Directors - the tax strategy with the guidelines and principles adopted in the management of tax issues in accordance with the OECD's recommendations.

ENVIRONMENTAL INITIATIVES

The FinecoBank Group is committed to monitoring and assessing the effects of climate change on its credit and asset management activities. FinecoBank's investment policy is based on granting credit to retail customers and investing mainly in government bonds. Granting credit to large, small and medium-sized enterprises or financing corporate projects or plants is not part of the FinecoBank Group's policy. The limited exposure to firms preserves the FinecoBank Group both from the risk of causing impacts on the environment through financing counterparties associated with a high environmental risk (such as industries in the energy sector) and from the risk of indirectly being affected by any possible environmental events damaging its clients. The high diversification of FinecoBank's commercial portfolio (both in individual and territorial terms) protects the Group from the possible deterioration of the solvency of its clients due to environmental factors, such as atmospheric events or natural disasters. The environmental impact of the FinecoBank Group is therefore mainly attributable to the direct consumption of resources at both its operating offices and the offices of its financial advisors. The FinecoBank Group concentrates its efforts to minimise its environmental impact, focusing on dematerialisation processes, through innovations that significantly reduce paper flows and related emissions, the adoption of energy efficiency measures and initiatives to promote sustainable mobility.

In September 2022, FinecoBank obtained the recognition that certifies the excellence of its environmental management system, implemented throughout the whole Italian perimeter of corporate offices and Fineco Centers, according with the requirements of the Regulation (EC) No 1221/2009 (the **EMAS Regulation**).

In 2022, FinecoBank expressed its commitment to combating climate change, by setting the important goal of achieving its "Net zero CO2 emissions" status by 2050**,** regarding both operational and financed emissions. Through this objective, the Group commits to reduce its Scope 1 and 2 operational emissions by 35% and its Scope 3 operational emissions by 20% by 2030, achieving a 90% reduction in these emissions by 2050, with the residual emissions being neutralised from the "Net-Zero" year. The Group is also committed to ensuring that its financial assets are aligned with the climate objectives of the Paris Agreement Under the United Nations Framework Convention on Climate Change entered into force on 4 December 2016, with particular reference to government and bank debt securities.

As for ESG risk assessment, starting from 2021, FinecoBank's risk assessment framework introduces ESG items which are aimed at complying with the ECB guidelines on climate and environmental risks, both in relation to strategy and the monitoring and measurement of such risks through dedicated indicators. Further to an analysis of FinecoBank's business model, exposures and risk factors, FinecoBank's risk management function has identified the deterioration of real estate collateral covering mortgages as a potential environmental impact risk area in the medium to long term. FinecoBank's risk performance indicators are therefore intended to monitor the concentration and quality of real estate guarantees in highly seismic and/or hydrogeological areas, and ESG investment objectives in FinecoBank's Banking Book.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The corporate governance system adopted by FinecoBank is designed to promote a clear and responsible development of banking operations, contributing in the creation of long-term sustainable value. In particular, it is based on the principles recognised by international best practice as fundamental for good governance: the central role of the Board of Directors, the correct management of conflict of interests, the efficiency of the

internal control system and the transparency towards the market, with particular reference to the communication of corporate management choices.

The overall framework of FinecoBank's corporate governance has been defined in accordance with existing provisions of laws and regulations, taking into account, also, the recommendations included in the code of self-regulation for listed companies promoted by Borsa Italiana S.p.A. (the **Code of Self-Regulation**).

In this context, FinecoBank adopts the so-called traditional governance system, based on the presence of two bodies appointed by the shareholders' meeting: the Board of Directors, with functions of strategic supervision and management company, and the Statutory Auditors, with control functions. The statutory audit is entrusted to an external auditing firm, in accordance with applicable legislation.

In order to foster an efficient system of information and advisory which allows the Board of Directors to better assess certain matters within its competence, in conformity with the supervisory provisions issued by Banca d'Italia and the recommendations of the Code of Self-Regulation, there are four committees with proactive, advisory and coordination functions:

- Remuneration Committee
- Appointments Committee
- Risk and Related Parties Committee
- Corporate Governance and Environmental and Social Sustainability Committee

MANAGEMENT

Board of Directors

FinecoBank's Board of Directors consists of 11 members[19], including the Chairman and Chief Executive Officer. It was appointed by the ordinary Shareholders' Meeting of FinecoBank held on 28 April 2020 and will remain in office until the next Shareholders' Meeting called to approve the annual financial statements for the year ending 31 December 2022[20].

The composition of the Board in office is quantitatively and qualitatively consistent with the theoretical profile approved by the Board of Directors, including with regard to the limits on the number of offices held. In addition, the Board of Directors meets the requirements of integrity, experience and independence (including suitability) set forth in the Issuer's articles of association and current regulations.

In addition to the powers afforded under the Issuer's articles of association, FinecoBank's Board of Directors is tasked with setting the strategic policies and the guidelines for the organisational and operational structures, overseeing and monitoring their timely execution within the assigned risk profiles. The Board of Directors is responsible for establishing and approving the methods through which risks are detected and assessed and for approving the risk management strategic direction and policies. The Board of Directors also verifies that the internal control structure is consistent with the risk tolerance established and approves policies for the management of risks.

[19] On 9 February 2021, Andrea Zappia, non-executive Director of FinecoBank, resigned with effect from 1 March 2021 due to professional commitments. The Shareholders' Meeting of FinecoBank of 28 April 2021 appointed Alessandra Pasini as member of the Board of Directors.

[20] The members of the Board of Directors (and of the Board of Statutory Auditors) are appointed by the Shareholders' Meeting according to the list voting mechanism. This voting system, which uses lists of competing candidates, ensures that representatives of minority shareholders are appointed.

The Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all of the Issuer's areas of activity. The Chief Executive Officer and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

The following table sets forth the current members of FinecoBank's Board of Directors.

Name	**Position**
Marco Mangiagalli	Chairman
Francesco Saita	Vice Chairman
Alessandro Foti	Chief Executive Officer and General Manager
Alessandra Pasini	Director
Elena Biffi	Director
Giancarla Branda	Director
Gianmarco Montanari	Director
Maria Alessandra Zunino De Pignier	Director
Marin Gueorguiev	Director
Paola Giannotti De Ponti	Director
Patrizia Albano	Director

The business address for each of the above Directors is Piazza Durante 11, Milan 20131, Italy.

Other principal activities performed by the above members of the Board of Directors which are significant with respect to FinecoBank are listed below:

Marco Mangiagalli

- non-executive chairperson of E.I. Towers S.p.A.
- member of the board of directors of Finarvedi S.p.A.

Francesco Saita

- member of the board of directors of Aessedomus S.r.l.
- professor of the Department of Finance (*Dipartimento di Finanza*) at the Bocconi University of Milan
- member of the committee (*Comitato di Redazione*) of the Research Division of CONSOB and of other relevant scientific committees

Alessandro Foti

- member of the board of directors of ASSORETI (*Associazione delle Società per la Consulenza agli Investimenti*) and of the Bocconi University of Milan

Alessandra Pasini

- executive chairperson of Zhero BV
- sole director of Zhero S.r.l.

Elena Biffi

- member of the board of directors of Arnoldo Mondadori Editore S.p.A.
- commissioner liquidator (*commissario liquidatore*) of La Concordia S.p.A in administrative compulsory winding up (*liquidazione coatta amministrativa*)
- member of the board of directors of REVO S.p.A.
- member of the board of directors of Elba Compagnia di Assicurazioni e Riassicurazioni S.p.A.
- member of the board of director of Fondo Pensione Vaticano
- member of the board of director of Assofintech

Giancarla Branda

- statutory Auditor of Saras S.p.A., ACI Progei S.p.A. and ACI Consult S.p.A. in winding up;
- member of the board of directors of Garofalo Health Care S.p.A.
- lawyer at Salvini e Associati Law Firm

Gianmarco Montanari

- general director of the "Istituto Italiano di Tecnologia"
- member of the board of directors of Tinexta S.p.A. and Evalue Innovation sl
- member of the board of directors of the University of Turin and of "Istituti riuniti salotto e fiorito – scuole paritarie"
- member of the board of director of Italgas S.p.A.
- member of the board of directors of Reale ITES S.r.l. and Reale ITES ESP sl

Maria Alessandra Zunino De Pignier

- member of the board of directors of AIAF Formazione e Cultura s.r.l.
- Statutory auditor of Sabaf S.p.A.
- consultant of Alezio.net Consulting s.r.l.
- member of the board of director of European Federation of Financial Analysts (Frankfurt)

- member of the board of director of International Platform for Investment Professional (Switzerland)

Marin Gueorguiev

- risk management and control system consultant

Paola Giannotti De Ponti

- member of the board of directors of Terna S.p.A.

Patrizia Albano

- member of the board of directors of Piaggio & C S.p.A.
- standing member of the board of statutory auditors of Artemide Group S.p.A. and Artemide S.p.A.
- chairman of the board of statutory auditors of Artemide Italia S.r.l.
- lawyer at Albano law firm

Senior Management

The following table sets out the name, title and principal activities outside FinecoBank of each of the senior managers of FinecoBank:

Name	**Title**	**Other principal activities performed by the Senior Managers which are significant with respect to FinecoBank**
Alessandro Foti	Chief Executive Officer and General Manager	Please see Management – Board of Directors
Lorena Pelliciari	Chief Financial Officer and *Dirigente Preposto* (Manager charged with preparing the company financial reports)	member of the board of directors of Fondo Interbancario di Tutela dei Depositi member of the committee of Pri.Banks
Paolo Di Grazia	Deputy General Manager and Head of Global Business	Vice President Assosim (*Associazione Italiana Intermediari Mobiliari*) member of the board of directors of Vorvel Sim S.p.A.
Fabio Milanesi	Deputy General Manager and Head of Global Banking Services	-
Mauro Albanese	Deputy General Manager and Head of Network PFA & Private Banking	member of the board of directors of AIPB (Italian association of private bankers)

The business address for each of the above members of FinecoBank's senior management is Piazza Durante 11, Milan 20131, Italy.

Board of Statutory Auditors

The Board of Statutory Auditors, without prejudice to any other or more specific duty and power assigned to it by primary and secondary laws and regulations in force, monitors compliance with laws, regulations and the bylaws (*statuto*), as well as the proper administration and adequacy of organisational and accounting arrangements of the Issuer, of the risk management and control system, as well as the functioning of the overall internal control system. The Board of Statutory Auditors meets the requirements of integrity, experience and independence (including suitability) set forth in the current regulations.

The Board of Statutory Auditors, in carrying out its duties, works with the Internal Audit function and Risk and Related Parties Committee, on the basis of a continuous dialogue and the proactive exchange of information. The Board Statutory of Auditors also works with the Issuer's external auditors, the Compliance Manager and the Anti-Money Laundering Function Manager.

The current Board of Statutory Auditors was appointed by FinecoBank's Shareholders' Meeting of 28 April 2020 and 28 April 2021[21] and will remain in office until the next Shareholders' Meeting called to approve the annual financial statements for the year ending 31 December 2022.

The following table sets out the current members of FinecoBank's Board of Statutory Auditors:

Name	**Position**
Luisa Marina Pasotti	Chairman
Giacomo Ramenghi	Standing Auditor
Massimo Gatto	Standing Auditor
Lucia Montecamozzo	Alternate Auditor
Alessandro Gaetano	Alternate Auditor

All of the members of the Board of Statutory Auditors in office are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the above members of the Board of Statutory Auditors is Piazza Durante 11, Milan 20131, Italy.

Other principal activities performed by the Statutory Auditors of FinecoBank which are significant for FinecoBank are listed below:

[21] The Shareholders' Meeting of 28 April 28 2020 appointed the Board of Statutory Auditors (comprising three Statutory Auditors and two Stand-In Auditors) for the 2020-2022 period in the persons of Elena Spagnol, Massimo Gatto and Chiara Orlandini, as Statutory Auditors, and Luisa Marina Pasotti and Giacomo Ramenghi, as Stand-In Auditors. On 16 September 2020, Ms. Elena Spagnol resigned from her position as Chairman of the Board of Statutory Auditors of the Bank, with effect from 1 October 2020, and in compliance with laws and the Articles of Association, the Stand-in Auditor Ms. Luisa Marina Pasotti, also from the list submitted by several asset management companies and institutional investors, took over the position of Statutory Auditor with effect from 1 October 2020, as Statutory Auditor and Chairman of the Board of Statutory Auditors. In addition, on 5 September 2020, Ms. Chiara Orlandini resigned from her position as Statutory Auditor of the Bank, with effect from 12 October 2020, and in compliance with laws and the Articles of Association, the Stand-in Auditor Mr. Giacomo Ramenghi, also from the list submitted by several asset management companies and institutional investors, took over the position of Statutory Auditor. The Shareholders' Meeting of 28 April 2021, then confirmed Ms. Luisa Marina Pasotti as Chairman of the Board of Statutory Auditor and Mr. Giacomo Ramenghi as Standing Auditor; furthermore the Shareholders' Meeting appointed Ms. Lucia Montecamozzo and Mr. Alessandro Gaetano as Alternate Auditor.

Luisa Marina Pasotti

- standing auditor of Marelli e Pozzi S.p.A., Servizi Aerei S.p.A.
- member of the board of director of Dolcemagic S.r.l.
- chartered accountant of Studio Associato Pasotti e Badanai

Giacomo Ramenghi

- standing auditor of Prometeia S.p.A., Prometeia Advisor SIM S.p.A., MSC Società di Partecipazione tra Lavoratori S.p.A., Rekeep S.p.A., Servizi Ospedalieri S.p.A., Annovi Reverberi S.p.A. and H2H Facility Solutions
- chartered accountant of Studio Gnudi e Associati

Massimo Gatto

- standing auditor of MARR S.p.A., Poste Welfare Servizi S.r.l. and SACE BT S.p.A.
- chartered accountant of Studio Gatto

Lucia Montecamozzo

- partner of Studio Legale Tributario Fantozzi & Associati

Alessandro Gaetano

- full professor in Business Economics at "Tor Vergata" University (Rome)

EMPLOYEES

The following table breaks down the Issuer's employees by employment category as of 30 June 2022 and 31 December 2021.

Employees		**30 June 2022**		**31 December 2021**
Executives		30		30
Managers		430		427
Professional Areas		806		804
Total		**1,266**		**1,261**
Agency and temporary workers and interns		0		0
Employees FAM		50		44

As at 30 June 2022, FinecoBank's employees totaled 1,266 up compared to 1,261 as at 31 December 2021.

During the first half of 2022, activity continued normally despite the Covid emergency persisted, as all employees could work remotely. In addition, further initiatives aimed at facilitating and improving the working and personal life of employees continued, in continuity with what was done in 2021 (for example in the area of health and welfare). These initiatives, in continuity with what was done in 2021, concerned several areas: health, home working, office work and other useful initiatives. Timeliness of intervention and constant monitoring of the evolution of the pandemic situation were the keywords that characterized the FinecoBank's approach in all processes dedicated to human resources. FinecoBank has reached an agreement with the trade unions on work from home. On voluntary basis, the employees can work from home for approximately 2/3 days a week up to a maximum of 12 days a month.

In addition, hiring activities aimed at strengthening and optimising the areas dedicated to business development, organizational and technological support and risk control and management continued in "remote" mode.

The Issuer provides its employees certain insurance benefits required by applicable laws and the National Collective Bargaining Agreement for Credit Institutions (CCNL), where applicable.

As of 30 June 2022, FinecoBank had accrued €4.297 million in provisions for severance indemnities. During the year ended 31 December 2021, the amount set aside for the Italian social security fund (INPS fund) was equal to €747,979, while the amount set aside for the complementary pension funds was equal to €3,322,819.

SIGNIFICANT TRANSACTIONS

Inaugural Market issuance of Senior Preferred instrument

In October 2021, FinecoBank successfully completed the placement of its first market issue of Senior Preferred Notes for a nominal amount of € 500 million and a coupon of 0.5% for the first 5 years. The issue registered a demand equal to more than 4 times the offer, confirming the market's appreciation of FinecoBank also in the fixed-income segment. The placement was carried out with a view to complying with the fully loaded MREL Requirements calculated on the total exposure for the purposes of calculating the financial leverage ratio currently required of FinecoBank Group as from 1 January 2024.

Capital increase in Vorvel Sim

On 10 May 2022 the shareholder’s meeting of Vorvel Sim, approved the capital increase in the total amount of € 3.5 million, corresponding to a contribution of € 0.7 million for each shareholder. FinecoBank subscribed to its own capital increase during May 2022, keeping its shareholding unchanged at 20%.

Realignment of tax values of goodwill to higher book values pursuant to Article 110 of Decree-Law 104 of 2020

In 2021 FinecoBank exercised the option to realign goodwill pursuant to Article 110 of Legislative Decree 104/2020, an operation that resulted in the cancellation of deferred taxes of €24.5 million and the recognition of deferred tax assets of € 10.2 million, in addition to the payment of the substitute tax of €2.7 million for the realignment of goodwill, with a positive effect in taxes for the first half of first half of 2021 of € 32 million.

Starting in the financial year ended 31 December 2021, the amortisation plan for goodwill began for a portion equal to one fiftieth of the realigned amount. As at 30 June 2022, the amortisation of the realigned goodwill was charged for the accrued portion.

LITIGATION AND OTHER PROCEEDINGS

FinecoBank is involved in a number of legal proceedings in the normal course of its business. The most significant cases it is involved in are those proceedings related to: (i) claims by its clients alleging unlawful conduct by its financial advisors, for which the Issuer may incur statutory joint and several liability; (ii) claims

by its clients alleging breaches by the Issuer of applicable banking and financial rules of conduct or other contractual breaches; (iii) claims by its former financial advisors for the payment of severance pay; and (iv) tax claims.

FinecoBank has taken out specific insurance policies to protect against the risk associated with claims by its customers alleging unlawful conduct by its financial advisors, for which it may be held jointly and severally liable, and has made provisions for expected liabilities that are not covered by such insurance policies.

As a precaution against claims, as at 30 June 2022 FinecoBank had a provision in place for legal disputes of €24,243,000. This provision includes the costs of proceedings borne by FinecoBank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, any technical advisers and/or experts who assist FinecoBank, to the extent that it is believed that they will not be reimbursed by the relevant counterparties. This estimate was determined by FinecoBank, in relation to current disputes, mainly based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment.

Tax disputes

The Issuer received a notice of assessment for the year 2003 from the Italian Revenue Agency, containing an objection to the use of tax credits for €2.3 million which was appealed by FinecoBank. The Issuer has already paid the additional taxes and interest due. In this respect, as at 30 June 2022, the Group had in place a provision for an amount of €3.7 million, including the allocations for fines and interest for the additional tax being contested and requested by the Tax Authorities through tax bills or payment notices paid and for the estimated amount of legal expenses to be incurred in the various proceedings.

RELATED PARTY TRANSACTIONS

FinecoBank's Board of Directors, in order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties and persons in conflict of interest, during the meeting held on 16 December 2021 (effective from 15 January 2022) and with the prior favourable opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, approved the last update of the "*Global Policy for the management of transactions with persons in potential conflict of interest of the FinecoBank Group*" (the **Procedures**).

The aforementioned Procedures include the provisions to be complied with when managing:

- related parties transactions pursuant to the CONSOB Regulation adopted by resolution on 12 March 2010, no. 17221, as subsequently amended;

- transactions with associated persons pursuant to the regulations on "Risk activities and conflicts of interest with associated persons", established in Chapter 11 of the Bank of Italy Circular 285/2013 ("Supervisory Provisions for Banks") as amended following the update n. 33 of 23 June 2020 obligations of bank officers pursuant to Article 136 of Legislative Decree 385 on 1September 1993, showing the "*Consolidated Law on Banking*";

- transactions with other relevant persons in potential conflict of interest as defined by the Issuer on a self-regulatory basis, taking into account the applicable legal and regulatory provisions;

- loans granted to directors (i.e. members of the administrative, management and control bodies) and their related parties, pursuant to Article 88 of the CRD V.

RECENT DEVELOPMENTS

In September 2022, FinecoBank obtained a recognition that certifies the excellence of its environmental management system, implemented throughout the whole Italian perimeter of corporate offices and Fineco Centers, according with the requirements of the EMAS Regulation.

On 15 December 2022, FinecoBank announced that the, following the SREP, the ECB has communicated the Pillar 2 Requirements (**P2R**) for the FinecoBank Group which are binding starting from 1 January 2023. For further details, please see "*Regulatory framework*" under "*Risk Factors*" section.

SELECTED FINANCIAL INFORMATION

The following table sets out certain profit and loss information for the periods indicated adjusted and recast as set out in the notes to the table:

€ millions	**FY20**	**FY21**	**1H21**	**1H22**
Financial Margin	279.7	280.0	147.9	176.4
o/w Net Interest	*270.7*	*247.9*	*124.3*	*127.0*
o/w Profit from treasury	*9.0*	*32.1*	*23.6*	*49.4*
Dividends and other income from equity investments	0.0	0.0	0.0	-0.1
Net fee and commission income	379.4	450.8	214.3	232.5
Net trading, hedging and fair value income	86.8	74.3	40.6	54.8
Net other expenses/income	1.9	-1.3	0.6	0.4
Revenues	**747.8**	**803.8**	**403.5**	**464.0**
Staff expenses	-99.5	-109.6	-52.9	-57.5
Other administrative expenses net of recoveries	-118.0	-123.1	-60.6	-65.3
Impairment/write-backs on intangible and tangible assets	-25.4	-26.2	-12.7	-13.2
Operating costs	***-243.0***	***-258.9***	***-126.1***	***-136.0***
Operating profit (Loss)	**504.8**	**544.9**	**277.4**	**328.0**
Other charges and provisions	-34.1	-49.9	-14.0	-12.5
o/w Contributions to the single resolution fund (SRF) and deposit guarantee schemes (DGS)	*-26.8*	*-40.0*	*-7.7*	*-7.7*
Net impairment losses on loans and provisions for guarantees and commitments	-3.3	-1.7	-1.7	-1.2
Net income from investments	-6.3	1.1	1.2	-0.8
Profit (Loss) before tax from continuing operations	**461.1**	**494.4**	**262.9**	**313.5**
Income tax for the period	-137.5	-113.7	-46.2	-91.2
Profit (Loss) for the period	**323.6**	**380.7**	**216.7**	**222.4**
Net profit adjusted[(1)]	**324.5**	**349.2**	**184.6**	**222.5**
Non recurring items (min, gross)	**FY20**	**FY21**	**1H21**	**1H22**
Extraord. systemic charges (Trading Profit)[(2)]	*-1.4*	*-0.7*	*0.0*	*-0.2*
Realignment of Intangible Assets	*0.0*	*32.0*	*32.0*	*0.0*
Total	**-1.4**	**31.3**	**32.0**	**-0.2**

[(1)] Net of non recurring items.
[(2)]Voluntary scheme valuation.

The following table sets out certain financial or other ratios as at the dates or for the periods indicated calculated as set out in the notes to the table:

	Dec. 20	Jun. 21	Dec. 21	Jun. 22
PFA TFA / PFA (mln)[(1)]	**30.6**	**32.5**	**33.9**	**31.2**
Guided Products / TFA	**36%**	**38%**	**39%**	**38%**
FAM retail / Fineco AUM[(2)]	**23%**	**26%**	**27%**	**29%**
Cost/Income Ratio [(3)]	**32.5%**	**31.3%**	**32.2%**	**29.3%**
CET 1 ratio	**28.6%**	**18.6%**	**18.8%**	**19.1%**
Adjusted RoE[(4)]	**21.2%**	**23.3%**	**22.0%**	**29.3%**
Leverage Ratio	**4.85%**	**4.03%**	**4.02%**	**3.82%**
Leverage Ratio excl. temporary exemption[(5)]	**4.85%**	**3.81%**	**3.84%**	**3.82%**
LCR[(6)]	**858.09%**	**834.44%**	**828.09%**	**828.97%**
NSFR	**308.5%**	**321.39%**	**325.25%**	**330.54%**

(1) PFA TFA/PFA: calculated as end of period Total Financial Assets related to the network divided by number of PFAs eop.
(2) Calculated as FAM retail stock eop divided by FinecoBank AUM stock eop.
(3) Cost/Income ratio calculated as Operating Costs divided by Revenues.
(4) RoE: annualised Net Profit, net of non recurring items divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves).
(5) Leverage Ratio excluding exposures towards central banks from the total leverage ratio exposures (according to Article 429a of the CRR) was equal to 4.03% in June 2021, to 4.04% in September 2021, to 4.02% in December 2021 and to 3.99% in March 2022.
(6) Average of the liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period.

ALTERNATIVE PERFORMANCE MEASURES

In order to facilitate the understanding of economic and financial performance of the FinecoBank Group, the Issuer's directors have identified certain unaudited Alternative Performance Measures (**APMs**), as defined under the rules of the ESMA.

This Base Prospectus contains or incorporates by reference the following APMs, as defined by the ESMA's Guidelines on Alternative Performance Measures (ESMA/2015/1415), which are used by the management of the Issuer to monitor its financial and operating performance and to facilitate management in identifying operational trends and take about investment decisions, resource allocation and other operational decisions.

With reference to the interpretation of these APMs draws attention to the matters illustrated below:

(i) these indicators are constructed exclusively from the FinecoBank Group's historical data and are not indicative of the future performance of the FinecoBank Group;

(ii) the APMs are not required by IFRS and, although derived from the Issuer's Audited Consolidated Financial Statements and Unaudited Consolidated First Half Financial Reports, are, respectively, not audited and not reviewed;

(iii) these financial measures should not be seen as a substitute for measures defined according to IFRS;

(iv) reading of these APMs should be carried out together with the FinecoBank Group's financial information from the Audited Consolidated Financial Statements and the Unaudited Consolidated First

Half Financial Reports;

(v) it is to be noted that, since not all companies calculate APMs in the same manner, these are not always comparable to measurements used by other companies.

APMs used by the FinecoBank Group are processed with continuity and consistency of definition and representation for all periods for which financial information included in this Base Prospectus.

This type of key metrics is used by management to assess financial performance. These metrics are not a measurement of our financial performance under IFRS and should not be considered as alternatives to total comprehensive income/(loss) or other performance measures derived in accordance with IFRS, or as alternatives to cash flow from operating activities as measures of liquidity. These amounts have not been audited or reviewed by any independent auditors.

Margins of the reclassified Income Statement

The Issuer provide a consolidated reclassified income statement, with the following APMs.

Revenues: this aggregate includes core income and other income/expenses strictly correlated with operating activity. It is calculated as the sum of the following captions of the reclassified income statement:
– Financial margin;
– Dividends and other income from equity investments;
– Net fee and commission income;
– Net trading, hedging and fair value income;
– Net other expenses/income.

Operating costs: this aggregate includes costs and expenses relating to the operating activity presented in the following captions of the reclassified income statement:
– Staff expenses;
– Other administrative expenses;
– Recovery of expenses;
– Impairment/write-backs on intangible and tangible assets.

Operating Profit (Loss): obtained from the difference between Revenues and Operating costs, as described above, it represents the result of operations.

Net Operating Profit (Loss): this aggregate represents the operating profit (loss) that takes into account the net impairment losses on loans and provisions for guarantees and commitments.

Lastly, *Profit (Loss) for the period* includes the following captions of the reclassified income statement are included:
– Income taxes for the period;
– Other charges and provisions;
– Net income from investments.

The Reclassified Consolidated First Half Report and the Reclassified Consolidated Financial Statements present and illustrate the reclassified consolidated income statement and balance sheet, the reconciliation of which with the consolidated financial statements is shown in the Appendices "Reconciliation Schedules for the Preparation of the Reclassified Consolidated Financial Statements" (in line with Consob Communication No.6064293 of July 28, 2006).

Cost / income ratio

Cost / income ratio is the ratio of operating costs (staff expenses, other administrative expenses, recovery of

expenses, impairment/write-backs on intangible and tangible assets) to operating income (revenues). It is one of the main key performance indicators of the Issuer's efficiency: the lower is the ratio, the higher is the profitability.

(in €/thousands)	30 June 2022	30 June 2021	31 December 2021	31 December 2020
A. Operating costs	136,030	126,104	258,893	243,010
B. Revenues	464,032	403,458	803,810	747,786
Cost / income ratio (A/B)[(1)]	**29.3%**	**31.3%**	**32.2%**	**32.5%**

[(1)] Cost/Income ratio calculated as Operating Costs divided by Revenues.

Cost of risk

The cost of risk is the ratio of net impairment losses of loans with customers in the last 12 months (net impairment losses on current deposits, credit cards, personal loans and mortgages of the last four quarters) divided by the same types of loans and receivables with customers (average of the averages of the last four quarters, calculated as the average balance at the end of the quarter and the balance at the end of the previous quarter). The scope only includes loans to commercial customers. It is one of the risk indicators of bank assets: the lower the ratio, the less risky the bank assets.

(in €/thousands)	30 June 2022	30 June 2021	31 December 2021	31 December 2020
A. Net impairment losses of loans with customers [(*)]	885	2,925	1,620	3,802
B. Loans and receivables with customers [(*)]	5,278,747	4,044,048	4,621,205	3,658,611
Cost of risk (A/B)	**0.02%**	**0.07%**	**0.04%**	**0.10%**

(*) The items refer to loans and receivables with customers on current deposits, credit cards, personal loans and mortgages.

Impaired loans to total loans with ordinary customers ratio

Impaired loans to total loans with ordinary customers ratio is the ratio between net impaired loans and total loans with ordinary customers (defined as the loans and receivables with customers net of debt securities).

(in €/thousands)	30 June 2022	30 June 2021	31 December 2021	31 December 2020
Bad exposures	2,067	2,115	2,141	2,025
Unlikely to pay	1,412	1,095	1,179	1,065
Past-due loans	812	1,318	1,061	441

A. Net impaired loans	4,291	4,528	4,381	3,531
B. Total loans with ordinary customers	5,734,337	4,656,591	5,416,604	4,008,307
Impaired loans to total loans with ordinary customers (A/B)	**0.07%**	**0.10%**	**0.08%**	**0.09%**

Net profit adjusted

The net profit adjusted is the profit (loss) for the period excluding non-recurring items recorded in the period.

(in €/thousands)	**30 June 2022**	**30 June 2021**	**31 December 2021**	**31 December 2020**
A. Profit (loss) for the period	222,363	216,670	380,711	323,571
B. Non-recurring items	(184)	32,023	31,532	(959)
Net profit adjusted (A-B)	**222,547**	**184,647**	**349,179**	**324,530**

The non-recurring items recorded in the first half of 2022 and in the full year 2020 refers to change in fair value of the exposure in equity securities versus the Voluntary Scheme established by the Interbank Fund for the Protection of Deposits. The non-recurring items recorded in the first half of 2021 and in the full year 2021 refers to the fiscal realignment of the intangible asset recorded in Financial Statement as of 31 December 2019, under the art. 110 of the Legislative Decree No. 104/2020 and to change in fair value of the exposure in equity securities versus the Voluntary Scheme established by the Interbank Fund for the Protection of Deposits.

Adjusted ROE

The adjusted ROE is calculated as the annualised net profit adjusted divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves).

(in €/thousands)	**30 June 2022**	**30 June 2021**	**31 December 2021**	**31 December 2020**
A. Annualised net profit adjusted	445,094	369,295	349,179	324,531
B. Average book shareholders' equity	1,518,379	1,585,911	1,586,911	1,528,163
Adjusted ROE (A/B)	**29.3%**	**23.3%**	**22.0%**	**21.2%**

Direct deposits

The value of direct deposits from customers is calculated as the sum of current accounts, demand deposits, time deposits and reverse repos.

(in €/thousands)	30 June 2022	30 June 2021	31 December 2021	31 December 2020
A. Current accounts and demand deposits	30,518,392	28,272,565	29,495,291	28,013,775
B. Time deposits and reverse repos	-	31	1	207
Direct deposits (A+B)	**30,518,392**	**28,272,596**	**29,495,292**	**28,013,982**

Assets Under Management (AUM)

Assets Under Management are off-balance assets managed by the Issuer and the value of those assets is based on market prices. The value of Assets Under Management is calculated as the sum of the amount pertaining to the following products: investment funds, assets under custody and direct deposits under advisory, segregated accounts and insurance products.

(in €/thousands)	30 June 2022	30 June 2021	31 December 2021	31 December 2020
A. UCITS and other investment funds	33,182,079	35,699,170	38,052,645	31,577,808
B. Assets under custody and direct deposits under advisory	1,877,505	1,969,630	2,104,995	1,775,626
C. Segregated accounts	308,096	281,698	329,710	209,329
D. Insurance products	15,420,884	13,448,360	14,962,876	11,818,687
AUM (A+B+C+D)	**50,788,564**	**51,398,858**	**55,450,226**	**45,381,450**

Assets Under Custody

Assets Under Custody are custodial financial assets administered for Issuer's customers (not attributable to AUM). Assets Under Custody are composed by government securities, bonds and shares.

Total Financial Assets (TFA)

The value of Total Financial Assets is calculated as the sum of direct deposits, Assets Under Management and Assets Under Custody.
Guided products & services refer to the Issuer's products and/or services developed by investing in UCITs selected from among those distributed for each asset class taking into account customers' different risk profiles and offered to the Issuer's customers under the guided open architecture model.

(in €/thousands)	30 June 2022	30 June 2021	31 December 2021	31 December 2020
A. Direct deposits	30,518,392	28,272,596	29,495,292	28,013,982

B. Assets Under Management	50,788,564	51,398,858	55,450,226	45,381,450
C. Assets Under Custody	21,497,301	21,759,579	22,969,895	18,313,685
TFA (A+B+C)	**102,804,257**	**101,431,033**	**107,915,413**	**91,709,117**
of which Guided products & services	*38,841,952*	*38,531,095*	*42,304,154*	*33,420,198*

Guided products / TFA ratio

The guided products to TFA ratio is the ratio of guided products & services related to TFA and total financial assets.

(in €/thousands)	**30 June 2022**	**30 June 2021**	**31 December 2021**	**31 December 2020**
A. Guided products & services (related to TFA)	38,841,952	38,531,095	42,304,154	33,420,198
B. TFA	102,804,257	101,431,033	107,915,413	91,709,117
Guided products / TFA ratio (A/B)	**37.78%**	**37.99%**	**39.20%**	**36.44%**

TFA – Personal Financial Advisors ("PFA")

This APM refers to the balance of direct and indirect inflows of the Network of personal financial advisors.

TFA – Private banking

This APM refers to financial services aimed at "high-end" private customers for the global management of financial needs.

Net sales

The value of net sales is calculated as the sum of net sales of: direct deposits, Assets Under Management and Assets Under Custody.
Guided products & services refer to the Issuer's products and/or services developed by investing in UCITs selected from among those distributed for each asset class taking into account customers' different risk profiles and offered to the Issuer's customers under the guided open architecture model.

(in €/thousands)	**30 June 2022**	**30 June 2021**	**31 December 2021**	**31 December 2020**
A. Net sales of direct deposits	1,023,099	258,610	1,481,305	2,505,616
B. Net sales of Assets	1,701,695	4,047,210	7,293,851	4,295,841

Under Management				
C. Net sales of Assets Under Custody	2,911,398	1,481,067	1,875,915	2,481,734
Net Sales (A+B+C)	**5,636,192**	**5,786,887**	**10,651,071**	**9,283,191**
of which Guided products & services	*1,624,961*	*3,729,928*	*6,793,943*	*4,209,227*

Net sales – Personal Financial Advisors (PFA)

This APM indicates the net sales made through the network of PFA. It is calculated as the sum of net sales of direct deposits, Assets Under Management and Assets Under Custody.

REGULATORY ASPECTS

The FinecoBank Group is subject to extensive regulation and supervision by the Bank of Italy, CONSOB, the European Central Bank (**ECB**) and is also subject to the authority of the Single Resolution Board (**SRB**). The banking laws to which the FinecoBank Group is subject govern the activities in which banks may engage and are designed to maintain the safety and soundness of such institutions and limit their exposure to risk. In addition, the FinecoBank Group must comply with financial services laws that govern its marketing and selling practices. New acts of legislation and regulations may be introduced in Italy and the European Union that may affect the FinecoBank Group, including proposed regulatory initiatives that could significantly alter the FinecoBank Group's capital requirements.

The rules applicable to banks and other entities in banking groups include implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the **Basel Committee**).

In accordance with the regulatory frameworks described above and consistent with the regulatory framework being implemented at the European Union level, the FinecoBank Group has in place specific procedures and internal policies to monitor, among other things, liquidity levels and capital adequacy, the prevention and detection of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the FinecoBank Group's results of operations, business and financial condition. In addition, as at the date of this Base Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

Basel III and the CRD IV Package

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

In January 2013, the Basel Committee revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio with a full implementation in 2019 as well as expanding the definition of high-quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the net stable funding ratio, the Basel Committee published the final rules in October 2014 which took effect from 1 January 2018.

The Basel III framework has been implemented in the EU through new banking requirements: the CRD IV Directive and the CRD IV Regulation which forms the CRD IV Package, as subsequently updated by the CRR II and CRD V Directive.

Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements are now largely fully effective as of 1 January 2019 and some minor transitional provisions provide for phase-in until 2024). Further details on the implementation of the Banking Reform Package (as defined below) are provided in the paragraph "*Revision to the CRD IV Package"* below.

National options and discretions that were so far exercised by national competent authorities will be exercised by the Single Supervisory Mechanism in a largely harmonised manner throughout the Banking Union. In this respect, on 14 March 2016, the ECB adopted Regulation (EU) No.2016/445 on the exercise of options and discretions, as subsequently amended. Depending on the manner in which these options/discretions had been

exercised by the national competent authorities and on the manner in which the SSM will exercise them in the future, additional/lower capital requirements may result.

In Italy, the Government approved a Legislative Decree on 12 May 2015 (**Decree 72/2015**) implementing the CRD IV Directive and amending the Italian Banking Act. Decree 72/2015 entered into force on 27 June 2015. Decree 72/2015 impacts, *inter alia*, on:

- proposed acquirers of holdings in credit institutions, requirements for shareholders and members of the management body (Articles 23 and 91 of the CRD IV Directive);
- competent authorities' powers to intervene in cases of crisis management (Articles 64, 65, 102 and 104 of the CRD IV Directive);
- reporting of potential or actual breaches of national provisions (so called whistleblowing, Article 71 of the CRD IV Directive); and
- administrative penalties and measures (Article 65 of the CRD IV Directive).

The Bank of Italy published supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013, as subsequently amended from time to time by the Bank of Italy, (the **Circular No. 285**) which came into force on 1 January 2014, implementing the CRD IV Package and the Banking Reform Package, and setting out additional local prudential rules. The CRD IV Package is also supplemented in Italy by technical rules relating to the CRD IV Directive and the CRD IV Regulation published through delegated regulations of the European Commission and guidelines of the EBA.

As part of the CRD IV Package, certain transitional arrangements as implemented by the Circular No. 285 have been gradually phased-out. The transtionational arrangements which provide for the regulatory capital recognition of outstanding instruments which qualified as Tier 1 and Tier 2 captial instruments under the framework which the CRD IV Package replaced but which no longer meet the minimum criteria under the CRD IV Package have been gradually phased out.

Capital Requirements

According to Article 92 of the CRD IV Regulation, as amended by the CRR II, institutions shall at all times satisfy the following own funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; (iii) a Total Capital ratio of 8 per cent, and (iv) the Leverage Ratio of 3 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:

- *Capital conservation buffer*: set at 2.5 per cent 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 fourth quarter of 2022;
- *Capital buffers for globally systemically important banks* (**G-SIBs**): set as an "additional loss absorbency" buffer varying depending on the sub-categories on which the globally systemically important institutions (**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 CRD

IV Regulation and the buffer assigned to each sub-category shall increase in gradients of at least 0,5 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRD IV Regulation. G-SIBs is determined according to specific indicators (size, interconnectedness, lack of substitutes for the services provided, global cross border activity and complexity) and, being phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285), became fully effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board (**FSB**) on 23 November 2021, neither the Issuer (nor any member of the FinecoBank Group) is a G-SIB and therefore they do not need to comply with a G-SIBs capital buffer requirement (or a leverage ratio buffer); and

- Capital buffers for other systemically important banks at a domestic level (**O-SIIs**): up to 3.0% as set by the relevant competent authority (reviewed at least annually), to compensate for the higher risk that such banks represent to the financial system (pursuant to Article 131 of the CRD IV and Title II, Chapter 1, Section IV of Circular No. 285). The Bank of Italy has not identified so far the FinecoBank Group as an O-SII, therefore the Issuer does not need to comply with an O-SII capital buffer requirement.

In addition to the above-mentioned capital buffers, under Article 133 of the CRD IV Directive, as amended by the CRD V, each Member State may introduce a systemic risk buffer (**SyRB**) of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not otherwise covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State.

With update No. 38 of 22 February 2022, the Circular No. 285 was amended in order to provide for, *inter alia*, the introduction of:

(i) the possibility for the Bank of Italy to activate the SyRB for banks and banking groups authorised in Italy. In particular, the requirement to maintain a SyRB of Common Equity Tier 1 is intended to prevent and mitigate macro-prudential or systemic risks not otherwise covered with the macro-prudential instruments provided for by the CRD IV Regulation, as amended by the CRR II, 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 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.

Furthermore, with update No. 39 of 13 July 2022, the Circular No. 285 was amended in order to align its provisions with Articles 104 to 104c of the CRD IV Directive, as amended by the CRD V. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular No. 285 provide for, *inter alia*, the introduction of:

(i) A clear differentiation between components of P2R estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and

(ii) The possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (P2R and Leverage Ratio and Pillar 2 Guidance Leverage Ratio).

Failure by an institution to comply with buffer requirements described above (**Combined Buffer Requirements**) may trigger restrictions on distributions by reference to the so-called "Maximum Distribuitable Amounts" and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 to 141c of the CRD IV Directive).

In addition, FinecoBank Group is subject to the P2R for banks imposed under the CRD IV Package, which will be impacted, on an on-going basis, by the SREP. The SREP is aimed at ensuring that institutions have adequate arrangements and strategies in place to maintain liquidity and capital, including in particular the amounts, types and distribution of internal capital commensurate to their risk profile, in order to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

The quantum of any P2R imposed on a bank, the type of capital which it must apply to meeting such capital requirements, and whether the Pillar 2 requirement is "stacked" below the capital buffers (i.e. the bank's capital resources must first be applied to meeting the P2R in full before capital can be applied to meeting the capital buffers) or "stacked" above the capital buffers (i.e. the bank's capital resources can be applied to meeting the capital buffers in priority to the Pillar 2 requirement) may all impact a bank's ability to comply with the Combined Buffer Requirement.

In its publication of the 2016 EU-wide stress test results on 29 July 2016, the EBA has recognised a distinction between "Pillar 2 requirements" (stacked below the capital buffers) and "Pillar 2 capital guidance" (stacked above the capital buffers). With respect to Pillar 2 capital guidance, the publication stated that, in response to the stress test results, competent authorities may (among other things) consider "setting capital guidance, above the combined buffer requirement". Competent authorities have remedial tools if an institution refuses to follow such guidance. The ECB published a set of "Frequently asked questions on the 2016 EU-wide stress test", confirming this distinction between P2R and Pillar 2 capital guidance and noting that "Under the stacking order, banks facing losses will first fail to fulfil their Pillar 2 capital guidance. In case of further losses, they would next breach the combined buffers, then Pillar 2 requirements, and finally Pillar 1 requirements".

The distinction between "Pillar 2 requirements" and "Pillar 2 capital guidance" has been codified by the CRD V. Whereas the former are mandatory requirements imposed by supervisors to address risks not covered or not sufficiently covered by Pillar 1 and buffer capital requirements, the latter refers to the possibility for competent authorities to communicate to an institution their expectations for such institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and Combined Buffer Requirements in order to cope with forward-looking and remote situations. Under the CRD V, only P2R, and not Pillar 2 capital guidance, will be relevant in determining whether an institution is meeting its Combined Buffer Requirement.

Non-compliance with Pillar 2 capital guidance does not amount to a failure to comply with capital requirements, but should be considered as a "pre alarm warning" to be used in a bank's risk management process. If capital levels go below Pillar 2 capital guidance, the relevant supervisory authorities, which should be promptly informed in detail by the bank of the reasons of the failure to comply with the Pillar 2 capital guidance, will take into consideration appropriate and proportional measures on a case by case basis (including, by way of example, the possibility of implementing a plan aimed at restoring compliance with the capital requirements including capital strengthening requirements).

On 23 July 2020 the European Banking Authority (**EBA**) published guidelines for competent authorities for the special procedures for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the COVID-19 pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current prospective risk profile.

The Bank of Italy notified to the EBA its intention to comply with the abovementioned guidelines on 23 September 2020. The Bank of Italy in fact announced to the supervised entities that only in exceptional cases,

due to a significant increase in their current and prospective risk profiles, it would have updated the banks' current requirements.

On 18 March 2022, the EBA published its final report on revised guidelines on common procedures and methodologies for SREP and supervisory stress testing. The EBA has developed the revised SREP guidelines in order to implement the changes brought by CRD V and CRR II (as defined below). In particular, the revision of the Guidelines, while keeping the original framework with the main SREP elements intact, reflects, among other things, the introduction of the assessment of the risk of excessive leverage and the revision of the methodology for the determination of the Pillar 2 Guidance. Additional relevant changes are related to the enhancement of the principle of proportionality and the encouragement of cooperation among prudential supervisory authorities and anti-money laundering/combating the financing of terrorism supervisors, as well as resolution authorities. The Bank of Italy should report its intention to comply with the Guidelines by 2 months after the publication of the translation in the official EU languages (still pending). The guidelines will apply from 1 January 2023.

The CRD IV Package introduced a leverage ratio with the aim of restricting the level of leverage that an institution can take on, to ensure that an institution's assets are in line with its capital. The Delegated Regulation (EU) No. 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 (**Leverage Ratio Regulation**). Institutions have been required to disclose their leverage ratio from 1 January 2015. The CRD IV Package contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity coverage ratio and leverage ratio in order to enhance regulatory harmonisation in Europe through the Single Rule Book. The CRR II complemented the system of reporting and disclosure, as envisaged in the Leverage Ratio Regulation, by the introduction of the leverage ratio as own fund requirement.

Liquidity and leverage requirements

The CRD IV Package also introduced the 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 (**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. The 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.

Revision to the CRD IV Package

On 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks and investment firms (**Banking Reform Package**). The Banking Reform Package amends many existing provisions set out in the CRD IV Package, the BRRD and the SRM Regulation. These proposals were agreed by the European Parliament, the Council of the EU and the European Commission and were published in the Official Journal of the EU on 7 June 2019 entering into force 20 days after, even though most of the provisions are applicable as of 28 June 2021, allowing for a smooth implementation of the new provisions.

The Banking Reform Package includes:

(i) revisions to the standardised approach for counterparty credit risk;

(ii) changes to the market risk rules which include the introduction first of a reporting requirement pending the implementation in the EU of the latest changes to the FRTB (as defined below) published in January 2019 by the Basel Committee and then the application of own funds requirements as of 1 January 2023;

(iii) a binding leverage ratio (and related improved disclosure requirements) introduced as a backstop to risk-weighted capital requirements and set at 3% of an institution's Tier 1 capital;

(iv) a binding NSFR (which will require credit institutions and systemic investment firms to finance their long-term activities (assets and off-balance sheet items) with stable sources of funding (liabilities) in order to increase banks' resilience to funding constraints). This means that the amount of available stable funding will be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR will be expressed as a percentage and set at a minimum level of 100%, indicating that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The NSFR will apply at a level of 100% at individual and a consolidated level starting from 28 June 2021, unless competent authorities waive the application of the NSFR on an individual basis as of two years after the date of entry into force of the EU Banking Reform Package;

(v) changes to the large exposures limits, now calculated as the 25% of Tier 1; and

(vi) improved own funds calculation adjustments for exposures to SMEs and infrastructure projects.

In particular, on 7 June 2019, the legal acts of the "Banking Reform Package" regarding the banking sector have been published on the EU Official Journal. Such measures include, together with the amendments to the BRRD and to SRM Regulation, (i) CRR II amending the CRD IV Regulation as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) CRD V Directive amending the CRD IV Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The amendments proposed better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V and BRRD 2 shall be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently.

In Italy, the Government approved a Legislative Decree on 8 November 2021 (**Decree 182/2021**) implementing the CRD V Directive and amending the Italian Banking Act. Decree 182/2021 entered into force on 30 November 2021. Decree 182/2021 impacts, *inter alia*, on:

- proposed acquirers of holdings in credit institutions, requirements for shareholders and members of the management body (Articles 22, 23 and 91 of the CRD V Directive);

- competent authorities' powers to impose additional own fund requirements (Articles 104 and 104a of the CRD V Directive);

- authorisation regime applicable to financial holding companies and mixed financial holding companies (Article 21a of the CRD V Directive); and

- regime governing the banking groups and introduction of the status of "intermediate EU parent" (Article 21c of the CRD V Directive).

Moreover, it is worth mentioning that the Basel Committee concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017.

On 27 October 2021, the European Commission published, as part of a legislative package that includes also amendments to CRD V, the text of the proposal to amend the CRR II (**CRR III** and jointly the **2021 Reform Package**). In particular, the 2021 Reform Package legislative initiative aims at implementing in the EU the 2017 Basel Accord and further elements not included in such international framework contributing to financial stability and to the steady financing of the economy in the context of the post-COVID 19 crisis recovery. This general objective can be broken down in four more specific objectives:

(i) to strengthen the risk-based capital framework, without significant increases in capital requirements overall;

(ii) to enhance the focus on ESG risk in the prudential framework;

(iii) to further harmonise supervisory powers and tools; and

(iv) to reduce institutions' administrative costs related to public disclosure and to improve access to institutions prudential data.

(v) to insert in the CRR a dedicated treatment for the indirect subscription of instruments eligible for internal MREL (i.e. "daisy chain approach").

Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the EBA, published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (**MCR**) by 23.6 per cent., resulting in a capital deficit of €124 billion. On 21 August 2020, the EBA was requested by the European Commission to update further its Basel III impact study and published the new impact analysis on 15 December 2020. The overall impact is presented under two implementation scenarios: the first one updates the impact presented in the previous Call for Advice (**CfA**) reports (the **Basel III** scenario); the second one (the **EU-specific scenario**) considers the additional features requested by the European Commission in its CfA, i.e. applying the SME supporting factors on top of the Basel SME preferential risk weight treatment; maintaining EU credit valuation adjustment exemptions; exercising the jurisdictional discretion contemplated in the Basel III framework to exclude the bank-specific historical loss component from the calculation of the capital for operational risk (internal loss multiplier = 1). Under the Basel III scenario, the steady-state implementation of the overall reform scheduled for January 2028 could increase the minimum required capital (**MRC**) amount, which includes Pillar 2 requirements and EU-specific buffers, by +18.5% with respect to the December 2019 baseline. Under the EU-specific scenario, steady-state implementation of the final Basel III framework (*i.e.* 2028) could increase the MRC amount by +13.1% with respect to the December 2019 baseline.

The EBA has been conducting regular and ad-hoc quantitative impact studies to assess or monitor the impact of various rules on the EU banking sector.

Regular monitoring exercise includes also a monitoring exercise to assess the impact of the Basel III framework on a sample of EU banks that the EBA conducts in coordination and in parallel with the Basel Committee (**Basel III Monitoring Exercise**). This exercise assesses the impact of the latest regulatory developments at Basel Committee level in the following area: (a) global regulatory framework for more resilient banks and banking systems; (b) the Liquidity Coverage Ratio and liquidity risk monitoring tools; (c) the leverage ratio framework and disclosure requirements; (d) the Net Stable Funding Ratio; and (e) the post-crisis reforms.

The impact of the Basel III is assessed using mostly the following measures:

(i) percentage impact on minimum required Tier 1 capital (MRC);

(ii) impact, in basis point, on the current actual Tier 1 capital ratio; and

(iii) Tier 1 shortfall resulting from the full implementation of Basel III, namely the capital amount that bansks need to filfil the Basel III MCR.

According to EBA Decision no. EBA/DC/2021/373concerning information required for the monitoring of Basel supervisory standards published on 18 February 2021 (**EBA Decision**), the Basel III Monitoring Exercise, which is currently only being carried out on a small sample of credit institutions and on a voluntary basis, should be extended to a broader and stable set of credit institutions. In particular, in order to ensure consistency, accuracy and completeness of the data provided, G-SIIs and O-SIIs, as well as credit institutions whose Tier 1 capital equals or exceeds €3 billion, or total assets equal or exceeding €30 billion, should be included in the sample.

Pursuant to EBA Decision, as of 31 December 2021, the Basel III Monitoring Exercise will become mandatory and will be carried out on an annual basis only.

On 30 September 2022, EBA published its first mandatory Basel III Monitoring Report which assess the impact that Basel III full implementation will have on EU banks in 2028. According to this assessment, the full Basel III implementation would result in an average increase of 15.0% of the current Tier 1 minimum required capital. Thus, to comply with the new framework, banks would need EUR 1.2 billion of additional Tier 1 capital.

On 4 May 2020, EBA published its final draft technical standards on specific reporting requirements for market risk, in accordance with the mandate set out in the provisions of the CRR II.

In particular, the implementing technical standards (**ITS**) introduced uniform reporting templates, the template related instructions, the frequency and the dates of the reporting, the definitions and the IT solutions for the specific reporting for market risk. These ITS introduce the first elements of the FRTB (as defined below) into the EU prudential framework by means of a reporting requirement. Based on the ITS submitted by the EBA, the European Commission adopted the Implementing Regulation no. 2021/453/EU of 15 March 2021 which applied from 5 October 2021.

Revisions to the Basel III framework

In December 2017, the Basel Committee published of its final set of amendments to its Basel III framework (known informally as **Basel IV**). Basel IV is expected to introduce a range of measures, including:

(i) changes to the standardised approach for the calculation of credit risk;

(ii) limitations to the use of IRB approaches, mainly banks will be allowed to use the F-IRB approach and the SA, only for specialised lending the A-IRB will be still used;

(iii) a new framework for determining an institution's operational risk charge, which will be calculated only by using a new standardised approach;

(iv) an amended set of rules in relation to credit valuation adjustment; and

(v) an aggregate output capital floor that ensures that an institution's total risk weighted assets (**RWA**) generated by IRB models are no lower than 72.5% of those generated by the standardised approach.

According to the Basel Committee, Basel IV should be introduced as a global standard from January 2022, with the output capital floor being phased-in (starting at 50% from 1 January 2022 and reaching 72.5% as of 1 January 2025). In this occasion, the Basel Committee postponed the suggested implementation date for the Fundamental Review of the Trading Book (**FRTB**) has been postponed by the Basel Committee to January 2025 to allow it to finalise the remaining elements of the framework and align the implementation date with the other Basel IV reforms.

ECB Single Supervisory Mechanism

On 15 October 2013, the SSM Regulation for the establishment of SSM. The SSM Regulation provides the ECB, in conjunction with the national competent authorities of the Eurozone and participating Member States, with direct supervisory responsibility over "banks of significant importance" in those Member States. "Banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (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/or (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. FinecoBank has been classified as a significant supervised entity pursuant to the SSM Regulation and the SSM Framework Regulation and, as such, is subject to direct prudential supervision by the ECB starting from January 2022.

The relevant national competent authorities continue to be responsible, in respect of FinecoBank Group, for supervisory functions not conferred on the ECB, such as consumer protection, money laundering, payment services, and supervision over branches of third country banks. The ECB is exclusively responsible for the prudential supervision of FinecoBank, which includes, *inter alia*, the power to: (i) authorise and withdraw authorisation; (ii) assess acquisition and disposal of holdings; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate governance practices and internal capital adequacy assessment controls and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities. The ECB may exercise options and discretions under the SSM and SSM Framework Regulation in relation to FinecoBank.

The Bank Recovery and Resolution Directive

The BRRD, entered into force on 2 July 2014, is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an institution that is failing or likely to fail so as to ensure the continuity of the institution's critical financial and economic functions, while minimizing the impact of an institution's failure on the economy and financial system. In addition, to the capital requirements under CRD IV Directive, the BRRD introduces 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). The Issuer has to meet MREL requirements on a consolidated basis. MREL constrains the structure of liabilities and may require the use of subordinated debt, which would have an impact on cost and potentially on the Issuer's financing capacity.

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) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the institution 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 firm 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 institution and 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. For more details on the implementation in Italy please refer to the paragraphs below.

With specific reference to the bail-in instruments, the MREL requirement is intended to ensure that a bank, in case of application of the bail-in tool, has sufficient liabilities to absorb losses and to assure compliance with the Common Equity Tier 1 requirement provided for the authorisation to exercise the banking business, as well as to generate confidence in the market. Regulatory technical standards specifying the criteria to determine the MREL requirements are set out in Delegated Regulation EU 2016/1450 which was published in the Official Journal of the European Union on 3 September 2016.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down/convert into shares or other instruments of ownership (including the Subordinated Notes) at the point of non-viability and before any other resolution action is taken (**non- viability loss absorption**). Any shares issued to holders of Subordinated Notes upon any such conversion may also be subject to any application of the general bail-in tool. The point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or its group will no longer be viable unless the relevant capital instruments (including the Subordinated Notes) are written-down/converted or extraordinary public support is to be provided.

Resolution authorities have the power to amend or alter the maturity of certain debt instruments (such as the Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes) issued by an institution under resolution, amend the amount of interest payable under such instruments, the date on which the interest becomes payable (including by suspending payment for a temporary period) and to restrict the termination rights of holders of such instruments. The BRRD also provides for a Member State, after having assessed and exhausted the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. Resolution authorities may provide public equity support to an institution and/or take the institution into public ownership. Such measures must be taken in accordance with the EU state aid framework and will require a contribution to loss absorption from shareholders and creditors via write- down, conversion or otherwise, in an amount equal to at least 8 % of total liabilities (including own funds).

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 recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

An SRF (as defined below) was set up under the control of the SRB (as defined below). It ensures the availability of funding support while the bank is resolved. It is funded by contributions from the banking sector. The SRF can only contribute to resolution if at least 8 per cent. of the total liabilities, including own funds, of the bank have been bailed-in.

The BRRD requires all Member States to create a national, prefunded resolution fund, reaching a level of at least 1 per cent. of covered deposits by 31 December 2024. The national resolution fund for Italy was created in November 2015 and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms. In the Banking Union, the national resolution funds set up under the BRRD were superseded by the single resolution fund, established by the European Regulation no. 806/2014 as of 1 January 2016 (**Single Resolution Fund** or **SRF**) and those funds have been pooled together gradually. Therefore, as of 2016, the Single Resolution Board calculates, in line with the Council Implementing Regulation no. 2015/81/EU (the **Council Implementing Act**), the annual contributions of all institutions authorised in the Member States participating in the SSM and the SRM. The SRF is financed by the European banking sector. The total target size of the Fund is equal to at least 1 per cent. of the covered deposits of all banks in the Member States participating in the Banking Union. The SRF is to be built up over eight years, beginning in 2016, to the target level of EUR 55 billion (the basis being 1 per cent. of the covered deposits in the financial institutions of the Banking Union). Once this target level is reached, in principle, the banks will have to contribute only if the resources of the SRF are actually used in order to deal with resolutions of other institutions.

Under the BRRD, the target level of the National Resolution Funds was set at national level and calculated on the basis of deposits covered by deposit guarantee schemes. Under the SRM, the target level of the SRF is European and is the sum of the covered deposits of all institutions established in the participating Member States. This results in significant variations in the contributions by the banks under the SRM as compared to the BRRD. As a consequence of this difference, when contributions would have been paid based on a joint target level starting as of 2016, contributions of banks established in Member States with a high level of covered deposits could abruptly have decreased, while contributions of those banks established in Member States with fewer covered deposits could abruptly have increased. In order to prevent such abrupt changes, the Council Implementing Act (i.e. Council Implementing Regulation no. 2015/81) provides for an adjustment mechanism to remedy these distortions during the transitional period by way of a gradual phasing in of the SRM methodology.

Implementation of the BRRD in Italy

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely Legislative Decrees No. 180/2015 and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Banking Act and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applies from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs is effective from 1 January 2019.

It is important to note that, pursuant to article 49 of Legislative Decree No. 180/2015, resolution authorities may not exercise the write down/conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured. The BRRD specifically contemplates that *pari passu* ranking liabilities may be treated unequally. Accordingly, holders of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes of a particular Series may be subject to write-down/conversion upon an application of the general bail-in tool while other Series of Senior Preferred Notes, Senior Non-Preferred Notes or, as appropriate, Subordinated Notes (or, in each case, other *pari passu* ranking

liabilities) are partially or fully excluded from such application of the general bail-in tool. Further, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as 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 Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated 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. This is due to the fact that 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.

Certain categories of liability are subject to the mandatory exclusions from bail-in foreseen in Article 44(2)(g) of the BRRD. For instance, most forms of liability for taxes, social security contributions or to employees benefit from privilege under Italian law and as such are preferred to ordinary senior unsecured creditors in the context of liquidation proceedings. Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to the BRRD have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors, such as holders of Senior Preferred Notes. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Legislative Decree No. 181/2015 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to resolution as well as compulsory liquidation procedures by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs will benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. On 25 October 2017 the European Parliament, the Council and the European Commission agreed on elements of the review of the BRRD. As part of this process Article 108 of the BRRD was amended by Directive (EU) 2017/2399. Member States were required to adopt and publish relevant laws, regulations and administrative provisions necessary to comply with the amendment to the creditor hierarchy by 29 December 2018. The recognition of the new class of so-called "Senior Non-Preferred Debt" has been implemented in the EU through the Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy. In Italy, the Directive has been implemented with the law No. 205/2017, modifying article 12bis of the Consolidated Banking Act.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary. Since each holder of Subordinated Notes and the holders of the Senior Preferred Notes will have expressly waived any rights of set-off, counterclaim, abatement or other similar remedy which they might otherwise have, under the laws of any jurisdiction, in respect of such Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, it is clear that the statutory right of set-off available under Italian insolvency laws will likewise not apply.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As indicated above, holders of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes may be subject to write-down/conversion into shares or other instruments of ownership on any application of the general bail-in tool and, in the case of Subordinated Notes, non- viability loss absorption.

Revisions to the BRRD framework

The Banking Reform Package included BRRD II which provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the standard on total TLAC applying from January 2022 while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The Banking Reform Package includes, amongst other things:

(i) full implementation of the FSB's TLAC standard in the EU and revisions to the existing MREL regime. Additional changes to the MREL framework include changes to the calculation methodology for MREL, criteria for the eligible liabilities which can be considered as MREL, the introduction of internal MREL and additional reporting and disclosure requirements on institutions;

(ii) introduction of a new category of "top-tier" banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed €100 billion;

(iii) the introduction of a new moratorium power for resolution authorities and requirements on the contractual stays in resolution; and

(iv) amendments to the article 55 regime in respect of the contractual recognition of bail-in.

Changes to the BRRD under BRRD II will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In order to ensure compliance with MREL requirements, and in line with the FSB standard on TLAC, the BRRD II provides that in case a bank does not have sufficient eligible liabilities to comply with its MREL requirements, the resultant shortfall is automatically filled up with CET1 Capital that would otherwise be counted towards meeting the combined capital buffer requirement. However, under certain circumstances, BRRD II envisages a nine-month grace period before restrictions to discretionary payments to the holders of regulatory capital instruments senior management of the bank and employees take effect due to a breach of the combined capital buffer requirement.

On 1 December 2021, Legislative Decree no. 193 of 8 November 2021 (**Decree No. 193**), implementing the BRRD II into the Italian jurisdiction, entered into force, amending Legislative Decree no. 180/2015 (Decree no. 180) and the Italian Banking Act.

The provisions set forth in the Decree No. 193 includes, among other things:

(i) *Changes to the MREL regulatory framework*

The amendments introduced to Legislative Decree no. 180/2015 aligned the Italian regulatory framework regulating MREL, and the criteria according to which it is calculated, to the provisions set forth in BRRD II.

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

(a) the need to ensure that the application of the resolution tools to the resolution entity is adequate to meet the resolution's objectives;

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

(c) the size, the business model, the funding model and the risk profile of the entity; and

(d) the extent to which the failure of the entity would have an adverse effect on financial stability, due to the interconnectedness of the entity with other institutions or entities or with the rest of the financial system.

(ii) *New ranking for subordinated instruments of banks which do not qualify as own fund*

Article 91 of the Banking Law has been modified by Decree No. 193 to transpose into the Italian legislative framework the provisions envisaged by Article 48(7) of the BRRD II.

In particular, according to the amended version of Article 91, subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items shall rank senior to own funds items (including any instruments only partly recognized as own funds items) and junior to senior non-preferred instruments. Moreover, if own funds items cease, in their entirety, to be classified as such, they will rank senior to own funds items but junior to senior non-preferred instruments.

The abovementioned provisions also applies to instruments issued before the entrance into force of Decree No. 193, such as 1 December 2021.

(iii) *New minimum denomination requirement*

Article 12-*ter* of the Italian Banking Act, introduced by Decree No. 193, provides for the determination of a minimum unit value for bonds and debt securities issued by banks or investment firms equal to Euro 200,000 for subordinated bonds and other subordinated securities or Euro 150,000 for senior non-preferred debt instruments ("*strumenti di debito chirografario di secondo livello*").

Any contracts entered into with non-professional investors and 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, that do not respect the minimum unit value, shall be declared as null and void (Article 25-*quarter* of the Financial Services Act, as amended by Decree No. 193).

Without prejudice to the restrictions outlined above on the sale to retail investors, the ban previously in force on the placement of Senior Non Preferred debt instruments with non-qualified investors has been repealed by Article 5 of Decree No. 193.

As the BRRD II has only recently been implemented in Italy and other Member States, there is uncertainty as to the effects of its application in practice.

Also, certain provisions of the BRRD II remain subject to regulatory technical standards and implementing technical standards to be prepared by the European Banking Authority. In addition to the BRRD II, it is possible that the application of other relevant laws, the CRD V and the CRR II 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 absorbing losses 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 amended by the BRRD II, 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.

The Single Resolution Mechanism

On 19 August 2014, SRM Regulation entered into force. The SRM Regulation became operational on 1 January 2016. There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB with national resolution authorities, which entered into force on 1 January 2015. The SRM Regulation was subsequently updated with the Banking Reform Package

in June 2019. The SRM Regulation, which complements the SSM, applies to all banks supervised by the SSM. It will mainly consist of the SRB and the SRF.

SRM II Regulation amends the SRM Regulation as regards the loss-absorbing and recapitalization of credit institutions and investment firms.

The Single Resolution Mechanism framework ensures that, instead of national resolution authorities, there will be a single authority – i.e. the SRB – which takes all relevant decisions for the resolution of banks being supervised by the SSM and part of the Eurozone. In line with the changes to BRRD II described above, revisions to the provisions of the SRM Regulation (in relation to MREL) are due to change in due course.

In such a context, it is worth to mention the process to review - started by the European Commission in November 2020 – the "Crisis Management and Deposit Insurance" framework. Following this revision, new and different legal and regulatory requirements may apply to the Group, in particular the intention of the European legislator is to amend the BRRD, the SRM Regulation and the "Deposit Guarantee Schemes Directive".

Voluntary Scheme

FinecoBank joined the voluntary scheme (the **Voluntary Scheme**), introduced by the "Italian Interbank Deposit Guarantee Fund" in November 2015 through a change to its by-laws.

The Voluntary Scheme provides for a maximum amount of €795 million to be used to support interventions in favour of small banks in difficulty and subject to extraordinary administration procedure, in case of concrete recovery perspectives and for the purpose of avoiding higher burdens for the banking system consequent to liquidation or resolution interventions. Such resources are not immediately paid by adhering banks, which simply undertake to disburse them upon request on occasion of specific interventions, up to such maximum amount. The FinecoBank Group adhered to the voluntary scheme and accordingly committed its share of the maximum amount.

From 2016 to 2022 the Voluntary Scheme intervened in favour of some banks, in particular Cassa di Risparmio di Cesena, Cassa di Risparmio di Rimini, Cassa di Risparmio di San Miniato, Banca Carige, Banca Popolare di Bari and AIGIS Banca.

With regard to the above mentioned interventions, FinecoBank contributed with monetary payments which have led to the recognition of equity instruments (classified as "*available for sale*" based on IAS 39 until the end of 2017 and subsequently from 1 January 2018 as "*Financial assets at fair value through profit and loss: c) other financial assets mandatorily at fair value*" according to the current accounting standard IFRS 9).

As at 30 September 2022, there was no exposure left in equity instruments deriving from the aforementioned contributions paid by FinecoBank.

Measures to counter the impact of the "COVID-19" virus

European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an addendum to the 2019 credit agreement between the Italian Banking Association ("*Associazione Bancaria Italiana*") and the business associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement

entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments. These measures have not been further prorogated by Law no. 234 of 30 December 2021 and will then expire once the small and medium-size companies, which had benefited from the moratorium, have repaid the relevant loans.

On 11 March 2020, ESMA, considering the spread of COVID-19 and its impact on the EU financial markets, issued four recommendations in the following areas: (1) business continuity planning, (2) market disclosure, (3) financial reporting and (4) fund management.

(a) Business Continuity Planning: ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.

(b) Market disclosure: issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU) No. 596/2014 (**MAR**), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.

(c) Financial reporting: ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures.

(d) Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

The ECB, at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer term refinancing operations (the so-called "LTROs"); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of the third series of targeted longer term refinancing operations (*i.e.* TLTRO III); and, third, preventing tightening of financing conditions for the economy in a pro-cyclical way via an increase in the asset purchase programme (the so-called "APP").

Since the adoption of the abovementioned decision, the parameters and the conditions of the TLTRO III have been recalibrated on several occasions, as considered necessary and appropriate in light of the risks to the price stability, the monetary policy transmission mechanism and the economic outlook in the euro area. Thus, TLTRO III, as adjusted when warranted, have played a key role in maintaining price stability, in particular throughout the acute phase of the pandemic period, by preserving favourable financing conditions in a disinflationary environment and supporting the accommodative stance of monetary policy necessary to address the severe downside risks to the economy and price stability. Therefore, over the pandemic period, the ECB granted exceptionally favourable financing conditions to participating credit institutions through TLTRO III, with a view to sustaining lending to the real economy at a time of intense stress.

Recently, a significant upward revision in the outlook for medium-term inflation (since the end of 2021) as well as in 2022 an unexpected high increase of energy costs, supply deficiencies and trade disruption, mainly due to the Russian invasion of Ukraine, caused a material rise in inflation which call for a reassessment of the appropriate monetary policy stance.

As part of this re-evaluation package, on 27 October 2022, the Governing Council adopted decision no. 2022/2128 (**ECB Decision No. 2128**), whereby it decided that from 23 November 2022 until the maturity date or early repayment date of each outstanding TLTRO III operations (**TLTRO III Operations**), the interest rate

on TLTRO III Operations will be indexed to the average applicable key ECB interest rates over this period and no more over the entire life of the program tranche. The measures laid down by ECB Decision No. 2128 have modified the TLTRO III program in a more restrictive way by removing almost all remuneration incentives and resulted in a sharp worsening of the funding rate and thus ECB introduced a new early repayment window on the date of the change effectiveness to allow banks to exit the program before relative conditions change.

As of 30 September 2022, the Issuer had two TLTRO III Operations outstanding with the ECB: the first performed in December 2020 (**2020 TLTRO III Operation**) and the second in March 2021 (**2021 TLTRO III Operation).** The overall FinecoBank's TLTRO III exposure as of 30 September 2022 was worth €1,045 million as the 2020 TLTRO III Operation amounts to €950 million expiring on December 2023 and the 2021 TLTRO III Operation amounts to €95 million expiring on March 2024. In this regard, in November 2022, benefiting from an early repayment date FinecoBank has fully early repaid both tranches of the program for a total of €1.045 million, bringing its total exposure to €0.

As FinecoBank has repaid the 2020 TLTRO III Operation and the 2021 TLTRO III Operation in full and, as of the date of this Base Prospectus, has no further TLTRO III Operations outstanding with the ECB, the Issuer would not bear any potential adverse impact the changes introduced by the ECB Decision No. 2128 may cause on participating credit institutions.

The Governing Council also decided to add a temporary envelope of additional net asset purchases of €120 billion until the end of the year, ensuring a strong contribution from the private sector purchase programmes. On 18 March 2020, this was followed by the announcement of the €750 billion Pandemic Emergency Purchase Program (**PEPP**), increased with a further €600 billion on 4 June 2020 and by €500 billion on December 2020, for a new total of €1,850 billion. Net asset purchases under the PEPP ended as of April 2022. On 15 December 2022, the Governing Council reiterated its intention to reinvest the principal payments from maturing securities purchased under the programme until at least the end of 2024. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance.

On 12 March 2020, the ECB Banking Supervision leg, the SSM, published the first supervisory response to provide banks with a temporary capital and operational relief. According to the ECB statements: i) banks are allowed to operate temporarily below the level of capital defined by the Pillar 2 Guidance, the capital conservation buffer (CCB) and the LCR to release resources for financing households and undertakings; ii) the ECB encourages also national macroprudential authorities to relax the CCyB; iii) banks are allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital to meet the P2R, for example Additional Tier 1 (AT1) or Tier 2 instruments; iv) banks will discuss with the ECB further individual measures, such as modified timetables, processes and deadlines (e.g. for on-site inspections or remedial actions); v) flexibility will be granted for the application of the ECB Guidance to banks on non-performing loans to adjust to bank's specific situation due to COVID-19.

On 10 February 2022, the ECB publish a communication (the **ECB Communication**) whereby it announced to see no needs to allow banks to operate below the level of capital defined by their Pillar 2 Guidance beyond December 2022, nor to extend beyond March 2022 the supervisory measure that allow them to exclude central bank exposure from their leverage ratios. Therefore, banks are: (i) expected to operate above Pillar 2 Guidance from 1 January 2023; (ii) re-include central bank exposures in leverage ratio from 1 April 2022; and (iii) have ample headroom above capital and leverage ratio requirements.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 (**Cura Italia Decree**) was adopted. The Cura Italia Decree introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE (***Aiuto alla Crescita Economica***)

notional return exceeding the total net income, to the extent of 20 per cent. of the impaired loans sold by 31 December 2020.

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the COVID-19 related economic shock to the global economy. The ECB published also a detailed FAQ on the measures adopted with the aim of updating it as needed. In particular, the ECB recommended to:

- give banks further flexibility in prudential treatment of loans backed by public guarantees, by extending to them the preferential treatment foreseen in its guidance for non-performing lonas for loans guaranteed or insured;

- encourage banks to avoid excessive procyclical effects when applying the IFRS 9 international accounting standard;

- activate capital and operational relief measures announced on 12 March 2020.

On 25 March 2020, the EBA and ESMA published detailed statements to address IFRS 9 accounting issues due to the COVID-19 outbreak and linked to the exceptional measures taken by banks and governments to address the situation, which affected compliance with the EBA guidelines on the definition of default (DoD) and forbearance/past-due classifications of loans.

The EBA statement of 25 March 2020 explained the functioning of the prudential framework in relation to the exposures in default, the identification of forborne exposures and impaired exposures in accordance with IFRS 9. In particular, EBA has clarified some additional aspects of the operation of the prudential framework concerning:

- the classification of exposures in default;

- the identification of forborne exposures;

- the accounting treatment of the aforesaid exposures

Specifically, the EBA repeated the concept of flexibility in the application of the prudential framework, clarifying that an exposure should not be automatically reclassified as (i) exposure in default, (ii) forborne exposure, or (iii) impaired exposure under International Financial Reporting Standard - IFRS9, in case of adoption of credit tolerance measures (such as debt moratorium) by national governments.

The ESMA statement of 25 March 2020 provided guidance on the application of IFRS 9 (Financial Instruments) addressed to issuers and auditors with regard to the calculation of expected losses and related disclosure requirements, in particular, as regards the suspension (or deferral) of payments established for credit agreements (e.g. moratorium on debt) that impact the calculation of Expected Credit Loss (ECL) under the principles set forth in IFRS 9. On 20 May 2020, ESMA published a Public Statement addressing the implications of the COVID-19 pandemic on the half-yearly financial reports of listed issuers (the **Public Statement**). The Public Statement provided recommendations on areas of focus identified by ESMA and highlighted: i) the importance of providing relevant and reliable information, which may require issuers to make use of the time allowed by national law to publish half-yearly financial reports while not unduly delaying the timing of publication; ii) the importance of updating the information included in the latest annual accounts to adequately inform stakeholders of the impacts of COVID-19, in particular in relation to significant uncertainties and risks, going concern, impairment of non-financial assets and presentation in the statement of profit or loss; and iii) the need for entity-specific information on the past and expected future impact of COVID-19 on the strategic orientation and targets, operations, performance of issuers as well as any mitigating actions put in place to address the effects of the pandemic. The Public Statement was conceived to be applicable also

to financial statements in other interim periods when IAS 34 Interim Financial Reporting is applied. It called on the management, administrative and supervisory bodies, including audit committees, of issuers and, where applicable, their auditors, to take due consideration of the recommendations included within the statement.

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (**GHOS**), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the COVID-19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.

- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.

- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

On 27 March 2020, the European Central Bank published a recommendation addressed to significant banks to refrain from paying dividends and from share buy-backs aimed at remunerating shareholders for the duration of the economic shock related to COVID-19. The ECB has decided to extend the recommendation on dividends until 1 January 2021 with the new Recommendation ECB/2020/35 that repeals the previous Recommendation ECB 2020/19 of 27 March 2020.

On 15 December 2020, the ECB recommended that banks exercise extreme prudence on dividends and share buy-backs. To this end, the ECB asked all banks to consider not distributing any cash dividends or conducting share buy-backs, or to limit such distributions, until 30 September 2021. Given the persisting uncertainty over the economic impact of the COVID-19 pandemic, the ECB expects dividends and share buy-backs to remain below 15 per cent. of the cumulated profit for 2019-2020 and not higher than 20 basis points of the CET1 ratio. Banks that intend to pay dividends or buy back shares need to be profitable and have robust capital trajectories. They are expected to contact their joint supervisory team to discuss whether the level of intended distribution is prudent. The recommendation remained valid until the end of September 2021. On 23 July 2021, the ECB decided not to extend dividend recommendation beyond September 2021 with the new Recommendation ECB/2021/31. In particular, the ECB considered that the reduced economic uncertainty allows the supervisory assessment of the prudence of bank's plans to distribute dividends and conduct share buybacks on an individual basis with a careful forward-looking assessment of capital plans in the context of the normal supervisory cycle.

On 1 April 2020 the ECB provided banks with further clarifications on the use of forecasts for the Expected Credit Loss (ECL) calculations under IFRS 9, after having invited banks to opt, if not done before, for applying the IFRS 9 five-year transitional arrangements included in the CRR to mitigate the First Time Application (FTA) capital impact of the new accounting principle.

On 2 April 2020, the EBA published more detailed guidance on the criteria to be fulfilled by legislative and non-legislative moratoria applied before 30 June 2020. The Guidelines acknowledged that Member States have implemented a broad range of support measures in order to minimise the medium- and long-term economic impacts of the efforts taken to contain the COVID-19 pandemic. In light of this, the EBA Guidelines clarify several aspects of payment moratoria, such as that they do not automatically trigger the classification as forborne or distressed restructuring if the measures taken are based on the applicable national law or on an industry or sector-wide private initiative agreed and applied broadly by the relevant credit institutions. In June 2020, the EBA further extended the application date of its guidelines by three months, from until 30 September

2020, and on the 21 September, communicated its phasing-out. However, on 2 December 2020 the guidelines were reactivated until 31 March 2021.

On 29 January 2021, the EBA published the "Report on the implementation of selected COVID-19 policies", which contains a series of clarifications in the form of questions and answers (Q&A) on the interpretation of the EBA Guidelines, in particular with regard to the overall duration of the deferred payment to fall within the scope of the EBA Guidelines on moratoriums. However, the clarifications did not concern the hypothesis in which the moratorium pursuant to law, even if granted before 31 September, was extended for more than 9 months due to a subsequent law.

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 (**Liquidity Decree**) was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest (**SACE**), a company of the Cassa Depositi e Prestiti S.p.A. group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the guarantee fund for SMEs, which will be applicable until 31 December 2020. The Government extended such measures until 30 June 2022.

On 28 April 2020, the European Commission published a legislative proposal for amending the CRR to ease banking activity during the COVID-19 emergency and ensure the flow of loans to households and businesses.

The measures, both temporary and exceptional, have been promoted to mitigate the immediate impact of COVID-19 related developments, and they imply:

- the reintroduction of prudential filters to manage the current situations of strong turbulence in the markets and to neutralize the effects of losses and gains on the value of debt securities held in the portfolio available for sale as if the securities were valued at cost instead of at fair value;
- a temporary approach to market risk in order to allow supervisors to implement appropriate measures to avoid automatic increases in the quantitative addendum (in particular over the period January 2020 and December 2021);
- more favourable treatment of government guarantees granted during the crisis, aligning the calendar provisioning applied to positions with government guarantees with the calendar provisioning applied to credits guaranteed by export credit agencies;
- early application of certain measures provided for in CRR II: i) extension of the SME supporting factor; ii) introduction of the infrastructure supporting factor; iii) improved weighting calibration for loans guaranteed by salary/pension share disposals; iv) improved prudential treatment of software;
- an adaptation of the timeline of the application of international accounting standards to banks' capital (IFRS9 phase-in arrangements);
- the postponement of the date of application of the additional reserve requirement for the leverage ratio of systemic banks (“G-SIB buffer”);
- a change in the way of excluding certain exposures from the calculation of the leverage ratio;
- the introduction of a transitional regime for EU Sovereign exposures in the currency of another EU Member State.

Following the positive vote of the plenary session of the European Parliament (19 June 2020), the so-called "CRR Quick-Fix" has been published in the European Official Journal on 26 June and has entered into force the following day (27 June 2020).

On 19 May 2020, the Law Decree No. 34 of 19 May 2020 (the **Decreto Rilancio**) was published in the Official Journal, introducing urgent measures in the areas of healthcare, work and economic support, as well as social policies, related to the epidemiological emergency caused by COVID-19.

Such decree has been signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME corporates with €10 million turnover, which have been impacted by COVID-19 a turnover reduction of 33 per cent. in April and May 2020 (two tax credits are granted to other investors <20 per cent. of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50 per cent. of the losses which exceed the 10 per cent. of the Net worth, but in the limit of the 30 per cent. of the capital increase>); and the so-called "Patrimonio rilancio" (dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support the real economy.

In August 2020 the Government approved the Law Decree 14 August 2020, No. 104, converted into Law 13 October 2020, No. 126 containing several urgent measures in support of health, work and economy, linked to the COVID-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 January 2021 (formerly 30 September 2020) and, for tourist sector, until 31 March 2021. Such prorogation operate automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (Article 55, Law Decree Cura Italia No. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non-performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

In October and November 2020, the Council of Ministers approved the "Relieves" Law Decree (Law Decree 28 October 2020, No. 137) and the "Relieves 2" Law Decree (Law Decree 9 November 2020, No.149) which provides further urgent measure regarding health protection, support to workers and production sectors, justice and safety linked to COVID-19 epidemic. Main measures introduced by the Law are a non- refundable aid for enterprises whose sectors have been restricted and the prorogation of "rental" Tax credit to October-December period and extension to enterprises with turnover exceeding €5 million and which have had a 50 per cent. reduction of turnover. In March 2021, the Council of Ministers approved the "Support" Law Decree (Law Decree 22 March 2021, No. 41) which provides further urgent measure regarding health protection, support to workers and production sectors linked to COVID-19 pandemic. Such decree introduces a new non-refundable aid for enterprises and professionals which have had a 30 per cent. reduction of turnover.

Finally, among the measures adopted in response to the COVID-19 emergency, we recall the Capital Markets Recovery Package proposal (so-called "quick fix") published by the European Commission in July, which proposes targeted amendments to the MiFID, the Prospectus Regulation as well as the Securitization Regulation. The package aimed to provide European economies with some relief to face the crisis emerging from the COVID-19 pandemic.

TAXATION

The statements herein regarding Italian taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law and interpretation occurring after such date, which changes could be made on a retroactive basis.

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, Receipts or Coupons 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 additional or special rules.

Prospective purchasers of the Notes, Receipts or Coupons are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of the Notes, Receipts or Coupons. This summary will not be updated to reflect changes in laws or interpretation and if such a change occurs the information in this summary may become invalid.

In any case, Italian legal or tax concepts may not be identical to the concepts described by the same English term as they exist under terms of different jurisdictions and any legal or tax concept expressed by using the relevant Italian term shall prevail over the corresponding concept expressed in English terms

TAXATION IN THE REPUBLIC OF ITALY

In this Italian Taxation section any reference to (i) the Notes includes also the Coupons and the Receipts and (ii) the Noteholders includes also the Couponholders and the Receiptholders, where the context so admits.

Italian tax treatment of proceeds payable under the Notes

As clarified by the Italian tax authorities in Resolution No. 72/E of 12 July 2010, the Italian tax consequences of the purchase, ownership and disposal of the Notes may be different depending on whether:

(a) they represent a securitised debt claim, implying a static "use of capital" (*impiego di capitale*), through which the subscriber of the Notes transfers to the Issuer a certain amount of capital for the purpose of obtaining a remuneration on the same capital and subject to the right to obtain its (partial or entire) reimbursement at maturity; or

(b) they represent a securitised derivative financial instrument or bundle of derivative financial instruments not entailing a "use of capital" (*impiego di capitale*), through which the subscriber of the Notes invests indirectly in underlying financial instruments for the purpose of obtaining a profit deriving from the negotiation of such underlying financial instruments.

Italian tax treatment of interest and proceeds payable under Notes qualifying as bonds or debentures similar to bonds implying a static "use of capital" (impiego di capitale)

Legislative Decree No. 239 of 1 April 1996, as subsequently amended and supplemented (**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**) deriving from notes falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia,* by Italian banks.

For this purpose, pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree No. 917**) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) are securities that:

(a) incorporate an unconditional obligation to pay, at redemption or maturity, an amount not lower than their nominal value;

(b) attribute to the holders no direct or indirect right to control or participate in the management of the issuer or in the management of the business in respect of which the notes have been issued; and

(c) 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.

The tax regime set forth by Decree No. 239 also applies to Interest from regulatory capital financial instruments (other than shares and assimilated instruments) complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011, as converted with amendments by Law No. 148 of 14 September 2011 and as further amended and clarified by Law No. 147 of 27 December 2013, and by Article 9 of Law Decree No. 34 of 30 April 2019 converted into Law No. 58 of 28 June 2019.

Italian resident Noteholders

Where an Italian resident Noteholder is the beneficial owner of Interest payments under the Notes and is:

(i) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(ii) a partnership (other than a *società in nome collettivo* or a *società in accomandita semplice* or a similar partnership) or a *de facto* partnership not carrying out commercial activities;

(iii) a non-commercial private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities or the Italian State or other pubic and territorial entity;

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

Interest deriving from the Notes and accrued during the relevant holding period is subject to a substitutive tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or obtained by the holder upon disposal of the Notes), unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorized intermediary and, under certain conditions, has validly opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree No. 461 of November 21, 1997 (**Decree No. 461**) (see "*Capital gains tax*" below).

Where the resident holders of the Notes described above under (i) to (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional 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 credit that can be offset against the income tax due.

Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be exempt from any income taxation (including from the 26 per cent. *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in 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 and the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law as amended and supplemented from time to time.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an Intermediary (as defined below), Interest from the Notes will not be subject to *imposta sostitutiva* but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) and, in certain circumstances, depending on the status of the Noteholder, also to regional tax on productive activities (**IRAP**).

Payments of Interest deriving from the Notes made to Italian resident real estate investment funds and Italian resident real estate investment companies with fixed capital (SICAF, i.e. *società di investimento a capitale fisso*) (the **Real Estate Funds**) complying with the relevant legal and regulatory requirements and subject to the regime provided for by, *inter alia*, Law Decree No. 351 of 25 September 2001 and/or Law Decree No. 44 of 4 March 2014, each as amended, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of such Real Estate Funds, provided that the Notes are timely deposited with an Intermediary (as defined below). Subsequent distributions made in favour of unitholders or shareholders of the Real Estate Fund and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent.. Moreover, subject to certain conditions, depending on the status of the investor and the percentage of its participation, income realised by Real Estate Funds may be attributed to the relevant investors and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

Where the Italian resident Noteholder is an open-ended or closed-ended investment fund (other than a Real Estate Fund), an investment company with fixed capital (SICAF, i.e. *società di investimento a capitale fisso*, other than a Real Estate Fund) or an investment company with variable capital (SICAV, i.e. *società di investimento a capitale variabile*) (together, the **Funds**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority and the Notes are deposited with an Intermediary (as defined below), payments of Interest on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. may in certain circumstances apply to distributions made in favour of unitholders or shareholders or in case of redemption or sale of the units or shares in the Fund.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an Intermediary (as defined below), payments of Interest relating to the Notes accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period to be subject to a 20 per cent. substitute tax 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 conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law as amended and supplemented from time to time.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, investment companies (*società di intermediazione mobiliare*, **SIMs**), fiduciary companies, management companies (*società di gestione del risparmio*), stock brokers and other qualified entities identified by a decree of the Ministry of Finance (together the **Intermediaries** and each an **Intermediary**). An Intermediary must (a) be (i) resident in Italy, (ii) a permanent establishment in Italy of a non-Italian resident Intermediary or (iii) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Italian tax authorities having appointed an Italian representative for the purposes of Decree No. 239, and (b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. 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 of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary meeting the requirements under (a) and (b) above, *imposta sostitutiva* is applied and withheld by any Italian intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer and 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 the suffered *imposta sostitutiva* from income taxes due.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident Noteholder is the beneficial owner of relevant Interest (certain types of institutional investors are deemed to be beneficial owners by operation of law) and is:

(a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy listed in the list provided for by Italian Ministerial Decree dated 4 September 1996, as amended from time to time (possibly further amended by future Ministerial Decrees to be issued under Article 11, paragraph 4, let. c) of Decree No. 239) (the **White List**); or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an institutional investor which is established in a country which allows for a satisfactory exchange of information with Italy listed in the White List, even if it does not possess the status of taxpayer therein.

In order to ensure gross payment, non-Italian resident Noteholders above must:

(a) deposit, in due time, directly or indirectly, the Notes with a resident bank or a SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economy and Finance having appointed an Italian representative for the purposes of Decree No. 239 (Euroclear and Clearstream qualify as such latter kind of depositary); and

(b) file with the relevant depository a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not required for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign central banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

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 Interest payments to such non resident holder of the Notes.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any, and subject to timely filing of the required documentation) in respect to Interest accrued in the hands of Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy not included in the White List.

Atypical securities implying a static "use of capital" (impiego di capitale)

Interest payments relating to Notes that are not deemed to be bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) under Article 44 of Decree No. 917 and qualify as *titoli atipici* ("atypical securities") pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, as amended (**Decree No. 512**), may be subject to a withholding tax, levied at the rate of 26 per cent.. For this purpose, bonds or debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption or maturity, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or control of) the management of the issuer.

Where the holder of the Notes is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in Italy of a foreign entity, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax. For non-Italian resident holders of the Notes, the withholding tax rate may be reduced by any applicable tax treaty (to the extent the conditions for its application are met).

The withholding is levied by the Italian intermediary intervening in the collection of the relevant income or in the negotiation or repurchasing of the Notes.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the above mentioned withholding tax on Interest relating to the Notes which qualify as *titoli atipici*, 1983, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law as amended and supplemented from time to time.

Capital gains tax applicable to Notes implying a static "use of capital" (impiego di capitale)

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership (other than a *società in nome collettivo* or a *società in accomandita semplice* or a similar partnership) or a *de facto* partnership not carrying out commercial activities, or (iii) a non-commercial private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva* provided for by Decree No. 461, levied at the rate of 26 per cent.. Under certain conditions and limitations Noteholders may set off capital gains with their capital losses.

For the purposes of determining the taxable capital gain (*redditi diversi*), any Interest on the Notes accrued and unpaid up to the time of the sale of the Notes must be deducted from the sale price.

In respect of the application of *imposta sostitutiva*, taxpayers under (i) to (iii) above may opt for one of the three regimes described below:

(i) under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Noteholders under (i) to (iii) above, *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss of the same kind, realised by the relevant investor holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same kind, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

(ii) as an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (ii) a valid express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta*

sostitutiva in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted only from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return; or

(iii) any capital gains realised by Italian Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have validly opted for the so called *risparmio gestito* regime provided for by Article 7 of Decree No. 461 will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholder is not required to declare the capital gains realised in the annual tax return.

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

Any capital gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income for IRES purposes and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes, if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected), an Italian resident commercial partnership or an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected.

Any capital gains realised by a Noteholder that is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund. Subsequent distributions made in favour of unitholders or shareholders of the Real Estate Fund and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent.. Moreover, subject to certain conditions, depending on the status of the investor and the percentage of its participation, income realised by Real Estate Funds may be attributed to the relevant investors and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

Any capital gains realised by an Italian Noteholder that is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio accrued at the end of the relevant tax period which is exempt from income tax. Subsequent distributions made in favour of unitholders or shareholders and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent..

Any capital gains realised by a Noteholder that is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains on the Notes may

be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law, as amended and supplemented from time to time.

Non-Italian resident Noteholders

The 26 per cent. *imposta sostitutiva* may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held or deemed to be held in Italy.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets in Italy or abroad are neither subject to the *imposta sostitutiva* nor to any other Italian income tax (subject to timely filling of required documentation (in particular, a self-declaration stating that the Noteholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited). The Italian tax authorities have clarified that the notion of multilateral trading facility (**MTF**) under MiFID II can be assimilated to that of "regulated market" for income tax purposes; conversely, organized trading facilities (OTF), not falling in the definition of MTF under MiFID II, cannot be assimilated to "regulated market" for Italian income tax purposes.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of the Notes not traded on regulated markets are not subject to *imposta sostitutiva* provided that the Noteholder is the beneficial owner of the capital gain (certain types of institutional investors are deemed to be beneficial owners by operation of law) and is (i) resident for tax purposes in a country included in the White List; or (ii) an international entity or body set up in accordance with international agreements ratified in Italy; or (iii) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is established in a country included in the White List, even if it does not possess the status of a taxpayer in its own country of establishment, in any case, to the extent 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, if applicable. In this case, if the non Italian Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above.

If none of the conditions described above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes not traded on regulated markets and deemed to be held in Italy may be subject to *imposta sostitutiva* at the current rate of 26 per cent..

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double tax treaty with Italy providing that capital gains realised upon the sale or redemption of the 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 the sale or redemption of the Notes provided all the conditions for its application are met. In this case, if the non-Italian resident Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian Noteholders.

Italian tax treatment of proceeds payable under Notes qualifying as derivative financial instruments

Based on the principles stated by the Italian tax authorities in Resolution No. 72/E of 12 July 2010, payments in respect of Notes qualifying as securitised derivative financial instruments not entailing a "use of capital" (*impiego di capitale*) as well as capital gains realised through the sale of the same Notes would be subject to Italian taxation according to the same rules described under the section headed "*Capital gains tax*" above.

Transfer tax

Contracts relating to the transfer of securities are subject to registration tax as follows: (a) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to a fixed registration tax of €200; (b) private deeds (*scritture private non autenticate*) are subject to registration tax only in case of voluntary registration, explicit reference (*enunciazione*) or case of use (*caso d'uso*).

Inheritance and gift taxes

Pursuant to Law No. 346 of 31 October 1990 and Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including the Notes) as a result of gift, donation or succession of Italian residents and non-Italian residents (but in such latter case limited to assets held within the Italian territory – which, for presumption of law, includes bonds issued by Italian resident issuers) are subject to Italian inheritance and gift taxes as follows:

(i) transfers in favour of the spouse and direct descendants or ascendants are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of the brothers or sisters are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000;

(iii) transfers in favour of all other relatives up to the fourth degree or relatives-in-law up to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift; and

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

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, a threshold of €1,500,000.

The transfer of financial instruments (including the Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law, as amended and supplemented from time to time.

Stamp duties on financial instruments

Pursuant to Article 13(2-ter) of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended (**Decree 642**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based 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 is collected by the Italian resident financial intermediaries and applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers other than 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 held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which it is not mandatory the deposit, the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

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 29 July 2009, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Stamp duty applies both to Italian resident and to non-Italian resident investors, to the extent that the relevant securities (including the Notes) are held with an Italian-based financial intermediary (and not directly held by the investor outside Italy), in which case Italian wealth tax (see below under "*Wealth tax on financial products held abroad*") applies to Italian resident Noteholders only.

Tax monitoring obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted with amendments by Law No. 227 of 4 August 1990, as amended, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return the amount of investments directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the beneficial owner of the instrument.

No disclosure requirements exist, *inter alia*, for investments and financial activities (including the Notes) under management or administration entrusted to Italian resident intermediaries and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subject to Italian withholding or substitute tax by the intermediaries themselves.

Wealth tax on financial products held abroad

In accordance with Article 19 of Decree No. 201 of 6 December 2011, converted with amendments by Law No. 214 of 22 December 2011, as amended, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes holding financial products – including the Notes – outside of the Italian territory are required to declare in their own annual tax return and pay a wealth tax at the rate of 0.2 per cent. (**IVAFE**). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

The tax applies on the market value at the end of the relevant year (or, if earlier, at the end of the holding period) or – in the lack of the market value – 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 held outside of the Italian territory. Taxpayers can generally deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Financial assets (including the Notes) held abroad are excluded from the scope of IVAFE if they are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from the such instruments have been subject to tax by the same intermediaries. In this case, the above mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree 642 does apply.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it

makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be classified as foreign financial institution.

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 Notes, are uncertain and may be subject to change. On 13 December 2018, the Treasury and the Internal Revenue Service (**IRS**) issued Proposed Regulations (REG-132881-17) under FATCA, eliminating withholding on the payments of gross proceeds and deferring withholding on foreign passthru payments.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date 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 (including by reason of a substitution of the issuer). However, if additional Notes 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 advisers regarding how these rules may apply to their investment in Notes.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT to be adopted in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal was very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 13 February 2023, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The form of Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or

Pricing Supplement, as the case may be) in relation thereto 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/EU (as amended, **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; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); 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.

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

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

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

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended from time to time.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed,

and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) 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 one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; 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.

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

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

France

Each of the Dealers and the Issuer has represented and agreed that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Base Prospectus or any other offering material relating to the Notes.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the form of Final Terms (or Pricing Supplement, in the case of Exempt Notes), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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.

Republic of Italy

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 the Base Prospectus or of any other 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 the Prospectus Regulation and any application provision of the 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.

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

(a) 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 the Italian Consolidated Banking Act; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA;

(ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred

within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

2) where no consideration is or will be given for the transfer;

3) where the transfer is by operation of law;

4) as specified in Section 276(7) of the SFA; or

5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities based Derivatives Contracts) Regulations 2018 of Singapore.

Singapore SFA Product Classification*: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).*

Switzerland

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA)** and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 15 December 2022.

Listing and admission to trading of Notes

The Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that is the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to Euronext Dublin for Notes issued under the Programme during the 12 months from the date of the Base Prospectus to be admitted to the Official List and trading on its regulated market. However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin Regulated Market or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from https://about.finecobank.com/en/investors/fixed-income/ :

(a) the constitutional documents (with an English translation thereof) of the Issuer;

(b) a copy of this Base Prospectus;

(c) the most recent financial statements and interim accounts of the Issuer; and

(d) any future Base Prospectus, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection or collection by, or delivered via email to, a holder of such Note at all reasonable times during normal business hours and such holder must produce evidence satisfactory to the Issuer or the Paying Agent, as applicable, as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the form of Final Terms (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the form of Final Terms or Pricing Supplement.

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

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the form of Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer since 30 June 2022 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2021.

Litigation

Save as disclosed in this Base Prospectus at pages 166 and 167, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

At the shareholders' meeting of FinecoBank held on 16 April 2013, Deloitte was appointed to act as FinecoBank's external auditor for the years from 31 December 2013 to 31 December 2021, pursuant to Article 13, paragraph 1, of Legislative Decree No. 39/2010.

Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance with registration number: 132587, having its registered office at Via Tortona 25, 20144 Milan, Italy. Deloitte's independent auditors' report on the Audited Consolidated Financial Statements is incorporated by reference in this Base Prospectus.

At the Shareholders' Meeting held on 28 April 2021, KPMG was appointed as auditor of the Issuer for the years 2022-2030.

KPMG, is registered under No. 70623 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. KPMG, which is located at Via Vittor Pisani, 25 20124 Milan, Italy, is also a member of ASSIREVI, the Italian association of auditing firms. KPMG's independent auditors' report on the Unaudited Consolidated First Half Financial Report as at 30 June 2022 is incorporated by reference in this Base Prospectus.

Post-issuance information

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates (including their holding companies) may have engaged and could in the future engage in commercial banking and/or investment activities with the Issuer and/or its affiliates and could, in the ordinary course of their business, provide services to the Issuer and/or to its affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates (including their holding companies) 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 the Issuer's affiliates. Certain of the Dealers or their affiliates (including their holding companies) that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates (including their holding companies) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (including their holding companies) 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. Furthermore, UniCredit, the parent company of UniCredit Bank AG (which acts in the role of Joint Arranger and Dealer), as of the date of this Base Prospectus, has several commercial, financial and operational relationships with the Issuer. In particular, as of the date of this Base Prospectus, UniCredit is (a) the issuer of the bonds in which a significant portion of FinecoBank's liquidity is invested; and (b) the pledgor under the Pledge Agreement entered into in connection with FinecoBank's exit from the UniCredit Group (see "*Material Contracts*" under section "*Description of the Issuer*").

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

ISSUER

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To the Issuer as to English and Italian law

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To the Dealers as to English law

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AUDITORS

To the Issuer
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