PROSPECTUS DATED 23 MAY 2025 **NOT FOR DISTRIBUTION IN THE UNITED STATES**

BANCO BPM S.P.A.

(incorporated as a joint stock company (società per azioni) in the Republic of Italy)

€400,000,000 6.250% Additional Tier 1 Notes

BANCO BPM S.p.A. (the "**Issuer**" or the "**Bank**" or "**Banco BPM**") will issue €400,000,000 Additional Tier 1 Notes in dematerialised form (the "**Notes**"). Defined terms used hereunder shall have the meanings given to such terms below or in the terms and conditions of the Notes (the "**Conditions**" and each of them, a "**Condition**").

The Notes will constitute direct, unsecured and subordinated obligations of the Issuer, as described in Condition 3 (*Status of the Notes*) and will be governed by, and construed in accordance with, Italian law, as described in Condition 16 (*Governing Law and Submission to Jurisdiction*) in the Conditions. The Notes will bear interest on their Outstanding Principal Amount, payable semi-annually in arrear on 27 May and 27 November in each year (each, an "**Interest Payment Date**"), as follows: (i) in respect of the period from (and including) 27 May 2025 (the "**Issue Date**") to (but excluding) 27 November 2030 (the "**First Reset Date**"), at the rate of 6.250 per cent. per annum (the "**Initial Rate of Interest**"); and (ii) in respect of each period from (and including) the First Reset Date and each fifth anniversary thereof (each, a "**Reset Date**") to (but excluding) the next succeeding Reset Date (each such period, a "**Reset Interest Period**"), at the rate per annum (first calculated on an annual basis and then converted to a semi-annual rate in accordance with market convention), corresponding to the sum of 4.066% (the "**Margin**") and the 5-year Mid-Swap Rate in relation to that Reset Interest Period, all as determined in accordance with Condition 4 (*Interest*) (the "**Reset Rate of Interest**").

Interest on the Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) for an unlimited period and on a non-cumulative basis any interest payment that would otherwise be payable on any Interest Payment Date. In addition, the Issuer shall not make an interest payment on the Notes (and such interest payment shall therefore be deemed to have been cancelled and shall not be due and payable) in the circumstances described in Condition 5.2 (*Restriction on interest payments*). Any interest cancelled (whether in whole or in part) shall not be due and shall not accumulate or be payable at any time thereafter nor constitute any default for any purpose on the part of the Issuer, and holders have no rights thereto whether in a bankruptcy or liquidation of the Issuer or otherwise, or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. See further Condition 5 (*Interest Cancellation*). Further, following the occurrence of a Trigger Event and a Write-Down of the Notes in accordance with Condition 6 (*Loss Absorption following a Trigger Event*), any accrued and unpaid interest on the Notes through to the Write-Down Effective Date (whether or not such interests have become due for payment) shall be automatically cancelled and following each Write-Down, interest will accrue on – subject to any subsequent Write-Down(s) or Principal Reinstatement(s) – the Outstanding Principal Amount of each Note as reduced by the Write-Down Amount from (and including) the relevant Write-Down Effective Date.

If the CET1 of the Issuer on a solo basis (or of the Group on a consolidated basis) falls below 5.125%, then the Issuer shall write down the Outstanding Principal Amount of the Notes, on a *pro rata* basis with the write-down or conversion into equity of other Loss Absorbing Instruments, as described in Condition 6 (*Loss Absorption following a Trigger Event*). Following any Write-Down of the Notes, the Issuer may, at its sole and absolute discretion, but subject to a positive Net Income or Consolidated Net Income being recorded, reinstate and write-up the Outstanding Principal Amount of the Notes on a *pro rata* basis with other Loss Absorbing Written-Down Instruments, subject to compliance with the reinstatement limit under Applicable Banking Regulations, on the terms and subject to the conditions set forth in Condition 6.3 (*Principal Reinstatement*).

The Notes are perpetual and have no fixed redemption date. The Notes will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) proceedings are instituted in respect of the Issuer (otherwise than for the purposes of an Approved Reorganization), in accordance with, as the case may be, (i) a resolution passed at a shareholders' meeting of the Issuer, (ii) any provision of the By-laws of the Issuer (which, as at 23 May 2025 provide for the duration of the Issuer to expire on 23 December 2114, but if such expiry date is extended, maturity of the Notes will be correspondingly adjusted), or (iii) any applicable legal provision, or any decision of any judicial or administrative authority. Upon maturity, the Notes will become due and payable at an amount equal to their Outstanding Principal Amount together (if any and excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) with interest accrued to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

The Issuer may, at its option, redeem the Notes: (a) in whole but not in part, on any Business Day from (and including) 27 May 2030 and ending on (and including) the First Reset Date and on any Interest Payment Date thereafter, pursuant to Condition 8.4 (*Redemption at the option of the Issuer (Issuer Call)*); (b) in whole but not in part, upon the occurrence of a Regulatory Event pursuant to Condition 8.3 (*Redemption for regulatory reasons*); or (c) in whole or in part, following a Tax Event pursuant to Condition 8.2 (*Redemption for tax reasons*); or (d) in whole or in part, if at least 75 per cent. of the initial aggregate principal amount of the Notes has been purchased by or on behalf of the Issuer and cancelled, pursuant to Condition 8.5 (*Clean-up Call*), in each case, at their prevailing Outstanding Principal Amount together with accrued interest (if any and excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*) and subject to satisfaction of certain conditions set out in Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A., also currently known as Euronext Securities Milan, with registered office and principal place of business at Piazza degli

Affari 6, 20123 Milan, Italy ("**Monte Titoli**"), for the account of the relevant Monte Titoli Account Holders. The expression "**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream**, **Luxembourg**"). The Notes have been accepted for clearance by Monte Titoli. The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24 February 1998, No. 58, as subsequently amended and supplemented ("**Italian Finance Act**") and in accordance with *Commissione Nazionale per le società e la Borsa* ("**CONSOB**") and Bank of Italy Joined Regulation dated 13 August 2018, as subsequently amended and supplemented ("**CONSOB and Bank of Italy Joint Regulation**"). No physical document of title will be issued in respect of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83-*quinquies* and 83-*sexies* of the Italian Finance Act.

This prospectus constitutes a prospectus for the purposes of Part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019 (the "**Prospectus**"). The Notes are admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2014/65/EU (as amended, "**EU MiFID II**") but is subject to the supervision of the financial sector and exchange regulator, the *Commission de Surveillance de Secteur Financier* (the "**CSSF**"). References in this document to the Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and admitted to trading on the Euro MTF Market. This Prospectus does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**").

The Notes are expected, on issue, to be rated "B+" by Fitch Ratings Ireland Limited, Sede Secondaria Italiana ("**Fitch**") and "BB (low)" by DBRS Ratings GmbH ("**Morningstar DBRS**"). Each of Fitch and Morningstar DBRS is established in the EEA and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at http://www.esma.europa.eu/supervision/credit-rating-agencies/risk as being registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**").

Payments of interest or other amounts relating to the Notes may in certain circumstances be subject to a substitute tax (referred to as *imposta sostitutiva*) of 26 per cent. pursuant to Legislative Decree No. 239 of 1 April 1996. In order to obtain exemption at source from *imposta sostitutiva* in respect of payments of interest or other amounts relating to the Notes, each Noteholder not resident in the Republic of Italy is required to comply with the deposit requirements described in "*Taxation – Italian Taxation*" and to certify, prior to or concurrently with the delivery of the Notes, that such Noteholder is, *inter alia*, (i) resident in a country which allows for a satisfactory exchange of information with the Republic of Italy (such countries are listed in the Ministerial Decree of 4 September 1996, as amended and supplemented from time to time and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Legislative Decree No. 239 of 1 April 1996) and (ii) the beneficial owner of payments of interest, premium or other amounts relating to the Notes, all as more fully set out in "*Taxation – Italian Taxation*".

On each Reset Date, interest amounts payable under the Notes will be calculated by reference to the mid-swap rate for euro swaps with a term of five years which appears at the relevant time on the "ICAE 53" page, which is provided by the ICE Benchmark Administration Limited, or by reference to EURIBOR, which is provided by the European Money Markets Institute. At the date of this Prospectus, the European Money Markets Institute appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**"). As at the date of this Prospectus, ICE Benchmark Administration Limited is not included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

An investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered 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 ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

JOINT GLOBAL COORDINATORS

Barclays **Morgan Stanley**

JOINT BOOKRUNNERS

Banca Akros S.p.A. Gruppo Banco BPM **Barclays** **BNP PARIBAS** **BofA Securities**

Citigroup **Crédit Agricole CIB** **Morgan Stanley**

RESPONSIBILITY STATEMENT

The Issuer (the "Responsible Person") accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

None of the Joint Bookrunners nor any of their respective affiliates have authorised this 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 Joint Bookrunners or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Notes. None of the Joint Bookrunners accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Notes.

No person is or has been authorised by the Issuer or the Joint Bookrunners to give any information or to make any representation not contained in (or not consistent with) this Prospectus or any other document entered into in relation to the Notes or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Bookrunners.

Neither this Prospectus nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus or any other information supplied in connection with the 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 and the Group (as defined herein).

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Bookrunners expressly do not undertake to review the financial condition or affairs of the Issuer or the Issuer and the Group during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered 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 the registration requirements of the Securities Act. See "*Subscription and Sale*".

This 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 Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Bookrunners do not represent that this 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 Joint Bookrunners which would permit a public offering of any Notes or distribution of this 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 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 all applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United

States, the European Economic Area, the United Kingdom, the Republic of Italy, Japan, Singapore and Canada. See "*Subscription and Sale*".

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These include statements relating to, among other things, the future financial performance of the Issuer and the Group, plans and expectations regarding developments in the business, growth and profitability of the Group and general industry and business conditions applicable to the Group. The Issuer has based these forward-looking statements on its current expectations, assumptions, estimates and projections about future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results, performance or achievements of the Group or those of its industry to be materially different from or worse than these forward- looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments except to the extent required by law.

DEFINITIONS, INTERPRETATION AND ROUNDING

All references in this document to: "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; and references to the "Banco BPM Group", the "Group" and, where the context requires, the "Bank", are to BANCO BPM S.p.A. and its subsidiaries.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

References to websites or uniform resource locators ("URLs") are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, and shall not be deemed to be incorporated into, this Prospectus.

STABILISATION

In connection with the issue of the Notes, Morgan Stanley & Co. International plc acting as the stabilising manager (the "**Stabilisation Manager**") (or persons acting on its behalf) 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 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 Notes and 60 days after the date of the allotment of the Notes. Such stabilising shall be conducted in accordance with all applicable laws and rules. Any loss or profit sustained as a consequence of any such over-allotment or stabilising shall, as against the Issuer, be for the account of the Stabilisation Manager (or persons acting on its behalf).

Restrictions on Marketing, Sales and Resales to Retail Investors

1. The Notes discussed in this Prospectus are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

2. (a) In the United Kingdom ("**UK**"), the Financial Conduct Authority ("**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a retail client) in the UK.

   (b) Each of Banca Akros S.p.A., Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank and Morgan Stanley & Co. International plc (together, the "**Joint Bookrunners**") is required to comply with COBS.

   (c) By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Joint Bookrunners, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Bookrunners that:

      (i) it is not a retail client in the UK; and

      (ii) it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus or this document) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

   (d) In selling or offering the Notes or making or approving communications relating to the Notes you may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area ("**EEA**") or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under the Markets in Financial Instruments Directive 2014/65/EU (as amended) (MiFID II) or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PRIIPs Regulation / 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 EEA. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold 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; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is 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. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to 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 manufacturers' target market assessment) and determining appropriate distribution channels.

Where you are acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or any of the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both you as agent and your underlying client(s).

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RISK FACTORS

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

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

*Words and expressions defined in the "Terms and Conditions of the Notes" (the "Conditions" and each of them, a "**Condition**") below or elsewhere in this Prospectus have the same meaning in this section.*

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

RISK FACTORS RELATING TO THE ISSUER

The following risk factors that may affect the ability of the Issuer to fulfil its obligations to investors in relation to the Notes, set out under the section of the EMTN Base Prospectus entitled "*Risk factors relating to the Issuer*" on pages 13 to 26 of the EMTN Base Prospectus are incorporated by reference herein as set out in the section entitled "*Documents Incorporated by Reference*":

- the risk factor set out below included in the sub-section entitled "*Risks related to the impact of global macro-economic factors*" on pages 13 and 14 of the EMTN Base Prospectus:
    - Risks related to the impact of global macro-economic factors, the consequences arising from the continuation of the conflicts between Russia-Ukraine and in the Middle East, and the impact of the geopolitical environment in general;
- the risk factors set out below included in the sub-section entitled "Risks related to the financial situation of the Issuer and the Group" on pages 14 to 17 of the EMTN Base Prospectus:
    - Risks related to the Strategic Plan;
    - Risks related to legal and tax proceedings and inspections by Supervisory Authorities;
    - Risks related to the fair value measurement of real estate investments;
    - Risks related to deferred tax assets;
    - Risks Related to Sanctions; and
    - Risks related to the ratings assigned to the Issuer;
- the risk factors set out below included in the sub-section entitled "Risks relating to the Issuer's business activities and industry" on pages 17 to 23 of the EMTN Base Prospectus:
    - Credit risk;
    - Risks related to the disposal of non-performing loans;
    - Risks related to the exposure to sovereign debt;
    - Market risks;
    - Liquidity and Funding risks;
    - Climate and environmental risks;
    - Operational risk; and
    - Risks connected to the contributions to the Single Resolution Fund, the Interbank Deposit Guarantee Fund and the Life Insurance Guarantee Fund;
- the risk factors set out below included in the sub-section entitled "Risks relating to European and Italian banking regulations" on pages 23 to 26 of the EMTN Base Prospectus:

- Risks related to regulatory changes in the banking and financial sectors and to the changes of the other laws applicable to the Banco BPM Group; and
- Risks related to recent and forthcoming regulatory, tax and accounting changes.

RISK FACTORS RELATED TO THE NOTES

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes are complex instruments and may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including the possibility that the entire principal amount of the Notes could be lost, including following the exercise by the relevant resolution authority of any bail-in power or through the application of non-viability loss absorption, as further described below, and including where the currency for principal or interest payments is different from the potential investor's currency;

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

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

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

The Notes may be subject to mandatory write-down or conversion into equity under the BRRD

Investors should be aware that the powers provided to "resolution authorities" under the Directive 2014/59/EU, providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or the "**BRRD**") include, as an alternative to compulsory liquidation proceedings, the application of resolution tools in cases where the Issuer is failing or likely to fail. Such tools are (i) the sale of business assets or of shares of the Issuer, (ii) the establishment of a bridging institution, (iii) the separation of the Issuer's assets between unimpaired and impaired or deteriorated assets, and (iv) write down/conversion powers to ensure that capital instruments (including the Notes) and eligible liabilities fully absorb losses at the point of non-viability of the issuing institution and before any other resolution action is taken (in addition to the General Bail-In Tool).

Accordingly, the BRRD contemplates that resolution authorities may require the write down of such capital instruments and eligible liabilities in full on a permanent basis, or convert them in full into shares or other instruments of ownership. The Bank Recovery and Resolution Directive provides, *inter alia*, that resolution authorities shall exercise the write down power in a way that results in (i) CET1 instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (including Additional Tier 1 instruments such as the Notes) being written down or converted into CET1 instruments on a permanent basis, and (iii) thereafter, eligible liabilities being written down or converted in accordance with a set order of priority.

Article 33a of the BRRD, as amended by Directive 879/2019/EU (the "**BRRD II**") introduces a new pre-resolution moratorium tool as a temporary measure in an early stage and new suspension powers, which the

resolution authority can use within the resolution period. Any suspension of activities can, as stated above, result in the partial or complete suspension of the performance of agreements (including any payment or delivery obligation) entered into by the Issuer. The exercise of any such power or any suggestion of such exercise could materially adversely affect the rights of the holders of securities issued by the Issuer (including the Notes), the price or value of their investment in any such security and/or the ability of the Issuer to satisfy its obligations under any such security.

The powers set out in the Bank Recovery and Resolution Directive may impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The holders of the Notes may be subjected to write-down or conversion into equity on any application of the General Bail-In Tool and non-viability loss absorption, which may result in such holders losing some or all of their investment. Moreover, the exercise of the bail-in tool and/or non-viability loss absorption by the competent resolution authority with respect to the Notes is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Issuer's control. Investors should note that the competent resolution authority will retain a broad element of discretion and may exercise any of its powers without any prior notice to the holders of any securities (including the Notes). Accordingly, Noteholders may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such bail-in tool and/or non-viability loss absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, and the precise manner in which the exercise of any such powers by the competent resolution authority may occur. Any write-down or conversion of the Notes under the BRRD would be made in accordance with the creditors' hierarchy provided under the relevant provisions of Italian law; and the SRB, EBA and ECB issued in March 2023 a statement concerning the order according to which shareholders and creditors of a troubled bank should bear losses, stating that common equity instruments are the first ones to absorb losses, and only after their full use would Additional Tier 1 be required to be written down, and confirming that such approach has been consistently applied in past cases and will continue to guide the actions of the SRB and ECB banking supervision in crisis interventions. There can, however, be no assurance that the relevant provisions of Italian law, and/or applicable banking laws, regulations, requirements, guidelines and policies (or interpretations thereof), will not be amended (or change) in the future in a manner prejudicial to the interests of the Noteholders.

The EBA and other competent authorities may continue to publish certain regulatory and implementing technical standards to be adopted by the European Commission and other guidelines that are potentially relevant to the manner of exercise of the general bail-in tool, non-viability loss absorption or other powers under the BRRD. No assurance can be given that these standards and guidelines will not be detrimental to the rights of the Noteholders or the value of their investment in the Notes.

Additionally, there may be material tax consequences for holders of the Notes as a result of such write-down or conversion, and holders should consult their own tax advisors regarding such potential consequences.

The exercise of any power under the Bank Recovery and Resolution Directive, or any exercise which is suggested could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. For the avoidance of doubt, the exercise of the resolution power by the Relevant Authority (as defined in the section "Terms and Conditions of the Notes" below) will not constitute an event of default under the Notes.

See further the risk factor headed "*Risks related to regulatory changes in the banking and financial sectors and to the changes of the other laws applicable to the Banco BPM Group*" on page 23 of the EMTN Base Prospectus, which is incorporated by reference in this Prospectus, and the paragraph "*Bank Recovery and Resolution Directive*" in the "*Regulatory*" section of the EMTN Base Prospectus, incorporated by reference in this Prospectus.

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

In response to the financial markets crisis, the reduced liquidity available to market operators in the industry, the increase of risk premiums and the capital requirements demanded by investors, intervention with respect to the level of capitalisation of banking institutions has had to be further increased. In many countries, this has been achieved through support measures for the financial system and direct intervention by governments in the share capital of the banks in different forms. In order to technically permit such government support, financial institutions were required to pledge securities deemed appropriate by different central financial institutions as collateral. The unavailability of liquidity through such measures, or the decrease or discontinuation of such

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

Reform of EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks" may impact the calculation of the 5-year Mid-Swap Rate and may adversely affect the value and return of the Notes

The 5-year Mid-Swap Rate used to calculate the Reset Rate of Interest on the First Reset Date and on each subsequent Reset Date is linked to the Euro Interbank Offered Rate ("**EURIBOR**") and the annual mid-swap rate for euro swap transactions, which are deemed "benchmarks" and are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**" together with the EU Benchmarks Regulation, the "**Benchmarks Regulations**" and each, the "**relevant Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK.

The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could also have a material impact on the Notes in any of the following circumstances:

1. any "benchmark" for determining the relevant 5-year Mid-Swap Rate could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, the Notes could be impacted;

2. the methodology or other terms of any "benchmark" related to the Notes could be changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmark Regulation, and such changes could have the effect of reducing, increasing or affecting the volatility of the published rate or level of the relevant "benchmark", and could lead to adjustments to the 5-year Mid-Swap Rate, including the Reference Rate Determination Agent determining the rate or level of such benchmark at its discretion.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. These reforms may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks", lead to the disappearance or unavailability of quotes of certain "benchmarks", including EURIBOR and the annual mid-swap rate for euro swap transactions. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Specifically, certain workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("**€STR**") as the new risk free rate. The ECB published the €STR for the first time on 2 October 2019, reflecting trading activity on 1 October 2019. €STR has replaced EONIA with effect from 3 January 2022. Although EURIBOR has subsequently been reformed in

order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The Conditions provide for certain additional arrangements in the event that the Original Reference Rate (including any page on which the Original Reference Rate may be published (or any successor service)) becomes unavailable, including the possibility that the Reset Rate of Interest could be set by reference to a Successor Reference Rate or an Alternative Reference Rate determined by an Independent Adviser or failing that, by the Issuer, and that such Successor Reference Rate or Alternative Reference Rate may be adjusted (if required) by the application of an Adjustment Spread. The application of a Successor Reference Rate or an Alternative Reference Rate or an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Reference Rate or Alternative Reference Rate may nonetheless be used to determine the Reset Rate of Interest. In certain circumstances, the ultimate fallback for calculating the Reset Rate of Interest for a particular Reset Interest Period may result in the application of the sum of the Margin and the 5-year Mid-Swap Rate that most recently appeared on the Relevant Screen Page**.**

In addition, due to the uncertainty concerning the availability of a Successor Reference Rate and an Alternative Reference Rate 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 Conditions are necessary to ensure the proper operation of the Successor Reference Rate or Alternative Reference 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 4.4 (*Benchmark Event*).

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

Tax changes may affect the tax treatment of the Notes

Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 ("**Law 111**"), delegates power to the Italian government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "**Tax Reform**").

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

The information provided in this Prospectus may not reflect the future tax landscape accurately.

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

Prospective investors should consult their own tax advisors regarding the tax consequences described above.

Risks related to the structure of the Notes

Potential conflicts of interest

The Calculation Agent is the agent of the Issuer and not the agent of the Noteholders. Potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Notes are of perpetual nature

The Notes have no fixed final redemption date and holders have no right to call for the redemption of the Notes. Although the Issuer may redeem the Notes in certain circumstances, there are limitations on its ability to do so. Therefore, Noteholders should be aware that they may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

Notes subject to optional redemption by the Issuer

The Notes are redeemable at the Issuer's option on each Optional Redemption Date (Call) pursuant to Condition 8.4 (*Redemption at the option of the Issuer (Issuer Call)*), and the Issuer may choose to redeem all, but not some only, of the Notes pursuant to such Condition 8.4 at times when prevailing interest rates may be relatively low. The Notes are also redeemable at the option of the Issuer if there is a Tax Event, a Regulatory Event, or if at least 75% of the initial aggregate principal amount of the Notes has been purchased by, or on behalf of, the Issuer and cancelled, pursuant to Condition 8.2 (*Redemption for tax reasons*), Condition 8.3 (*Redemption for regulatory reasons*) or Condition 8.5 (*Clean-up Call*), respectively.

Such optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Further, during any period in which there is an actual or perceived increase in the likelihood that the Issuer may redeem the Notes, the price of the Notes may also be adversely impacted. This also may be true prior to any redemption period.

Whilst this should not be construed as any indication or suggestion that the Issuer would exercise any early redemption option to redeem the Notes, it is possible that the Issuer exercises its option to redeem Notes in accordance with (and where permitted by) the Conditions, and in compliance with applicable regulatory requirements, at times 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 first sentence of this paragraph should not be construed as any indication or suggestion that the Issuer would exercise any early redemption option to redeem the Notes in such circumstances.

The Notes will be redeemed at their Outstanding Principal Amount, together with accrued but unpaid interest (if any and excluding any interest cancelled in accordance with the Conditions) to the date fixed for redemption, even if the principal amount of the Notes has been written down and not yet reinstated in full. Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of Notes.

In respect of the clean-up call in particular, there is no obligation on the Issuer to inform Noteholders of the principal amount outstanding of Notes redeemed or repurchased, and cancelled, by the Issuer form time to time, and the Issuer is entitled to exercise the option pursuant to Condition 8.5 (*Clean-up Call*) to redeem the Notes even if, immediately prior to exercising such option, the Notes may have been trading significantly above par, thus potentially resulting in a loss by the Noteholders.

Redemption for tax reasons

The Issuer's option to redeem the Notes for tax reason is likely to limit the market value of the Notes, as during any period when the Issuer may, or is perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

In the event that the Issuer has or will become obliged to increase the amounts payable in respect of the Notes due to any withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction pursuant to Condition 9 (*Taxation*), or part of the interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, deductible for Italian corporate taxable income purposes, in each case, as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction (including any treaty to which the Tax Jurisdiction is a party) or any change in the application or official or generally published interpretation of such laws or regulations (including a change or amendment resulting from a ruling by a court or tribunal of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all or part of outstanding Notes in accordance

with Condition 8.2 (*Redemption for tax reasons*), subject to satisfaction of the conditions set out in Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

In such circumstances the price of the Notes may be adversely impacted and an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Potential investors should consider reinvestment risk in the light of other investments available at that time.

The Notes will be redeemed at their Outstanding Principal Amount, together with accrued but unpaid interest (if any and excluding any interest cancelled in accordance with the Conditions) to the date fixed for redemption, even if the principal amount of the Notes has been written down and not yet reinstated in full. Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of the Notes.

The Issuer's obligations under Notes are deeply subordinated

If the Issuer is declared insolvent and a winding up is initiated, the Issuer will be required to pay the holders of senior debt and meet its obligations to all its other unsubordinated creditors (including unsecured creditors) as well as any higher ranking subordinated creditors in full before it can make any payments on the Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay the amounts due under the Notes.

The Issuer's obligations under the Notes will be unsecured and subordinated and will rank: (a) junior in priority to the claims of unsubordinated, unsecured creditors (including depositors) of the Issuer, and (b) for so long as the Notes constitute (fully or partially) Additional Tier 1 Capital, junior to the Issuer's obligations in respect of any Tier 2 instruments and any other present or future subordinated obligations of the Issuer that rank (or are expressed to rank) senior to the Notes, as fully described under Condition 3 (*Status of the Notes*) of the Terms and Conditions of the Notes.

Italian Legislative Decree No. 193 of 8 November 2021 implementing the BRRD II in Italy and published on 30 November 2021 in the *Gazzetta Ufficiale* has transposed into the Italian legislation Article 48(7) of BRRD II under Article 91, paragraph 1-*bis*), letter c-*ter*) of the Italian Banking Act. Such provision states that (i) if an instrument is only partly recognised as an own funds item, the whole instrument shall be treated in insolvency as a claim resulting from an own funds item and shall rank lower than any claim that does not result from an own funds item and (ii) if an instrument is fully disqualified as own funds item, it would cease to be treated as a claim resulting from an own funds item in insolvency. Consequently, the ranking of an instrument – previously recognised as own funds item – that is fully disqualified as own funds would improve with respect to any claim that results from an own funds item.

In light of this provision, if the Notes were to be disqualified in full as own funds items in the future: (a) their ranking would improve *vis-à-vis* the rest of the Additional Tier 1 instruments; and (b) in the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay the holders of the Notes and any other subordinated creditors of the Issuer, whose claims arise from liabilities that are no longer fully recognised as an own funds instrument, in full before it can make any payments on any other Additional Tier 1 instruments which are still recognised (at least in part) as own funds instruments.

In case the Notes were to be disqualified as Additional Tier 1 Capital, but were to qualify as Tier 2 Capital, their ranking would improve *vis-à-vis* the rest of the Additional Tier 1 instruments and they would rank *pari passu* with Tier 2 Instruments (save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes), but junior to any other subordinated obligations of the Issuer which rank, or are expressed to rank, senior to the Notes (including any subordinated instrument – previously recognised as own funds item – that is fully disqualified as own funds). See further Condition 3 (*Status of the Note*) of the Terms and Conditions of the Notes.

Although the Notes may pay a higher rate of interest than notes which are not (or less) subordinated, there is a real risk that an investor in the Notes will lose all or some of its investment should the Issuer become failing or likely to fail, or insolvent.

Regulatory classification of the Notes – Redemption of the Notes may occur following a Regulatory Event

The intention of the Issuer is for the Notes to qualify on issue as "Additional Tier 1 capital", at *solo* and group level, for so long as this is permitted under the laws and regulations on capital adequacy applicable from time to time. Current regulatory practice by the Relevant Authorities does not require (or customarily provide) a confirmation prior to the issuance of the Notes that they will be treated as such.

Although it is the Issuer's expectation that the Notes qualify as "Additional Tier 1 capital", there can be no representation that this is or will remain the case during the life of the Notes.

If the Notes are in the future fully excluded from Banco BPM's Additional Tier 1 Capital (as a result, *inter alia*, of changes to the Applicable Banking Regulations which require Additional Tier 1 instruments to contain features that are not included in the Terms and Conditions of the Notes, unless the Notes will be grandfathered or the Terms and Conditions of the Notes are modified pursuant to Condition 14.2 (*Modification of the Notes for Regulatory Event, Tax Event or Alignment Event, or to ensure effectiveness and enforceability of Bail-In Power*)), their ranking will change accordingly, as provided under Condition 3 (*Status of the Notes*) of the Terms and Conditions of the Notes.

In the event any such change occurs, the Notes would consequently rank higher than at issuance, ranking senior to Additional Tier 1 instruments so long as such Additional Tier 1 instruments remain fully or partially qualified as such. If the Notes are fully excluded from Additional Tier 1 Capital and for so long as they qualify (fully or party) as Tier 2 Capital instruments, they will rank *pari passu* with the Issuer's Tier 2 Instruments (save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes) and junior to the Issuer's other subordinated obligations which rank, or are expressed by their terms to rank, senior to the Notes (including any subordinated instruments that have ceased to qualify in their entirety as Own Funds). In the event, however, that the Notes are fully excluded from Additional Tier 1 Capital and Tier 2 Capital, they will rank *pari passu* with the Issuer's other subordinated obligations that have ceased to qualify, in their entirety, as Own Funds and with all other subordinated obligations of the Issuer that have such ranking. The Notes will, in all cases, remain subordinated to the unsubordinated obligations of Banco BPM (including deposits). Any change to the ranking of the Notes pursuant to the above will occur automatically during the life of the Notes without any prior consultation of the Noteholders or the holders of any other Own Funds instruments issued by the Issuer. See further the risk factor headed "*The Issuer's obligations under Notes are deeply subordinated*" above.

If a Regulatory Event occurs, the Issuer has a right to redeem the Notes pursuant to Condition 8.3 (*Redemption for Regulatory Reasons*) of the Terms and Conditions of the Notes, subject to the prior approval of the Relevant Authority and satisfaction of the conditions set forth in Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*). A Regulatory Event is defined as any change (or pending change which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes from their classification on the Issue Date that results, or would likely result, in the exclusion of the Notes in full (or, to the extent permitted under the Applicable Banking Regulations, in part) from the Additional Tier 1 Capital of the Issuer or the Group (as the case may be), or their reclassification as a lower quality form of Own Funds.

During any period in which there is an actual or perceived increase in the likelihood that the Issuer may exercise such rights to redeem the Notes, the price of the Notes may be adversely impacted and may not rise above the redemption price. There can be no assurance that holders of the Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes. The Notes will be redeemed at their Outstanding Principal Amount, together with accrued but unpaid interest (if any and excluding any interest cancelled in accordance with the Conditions) to the date fixed for redemption, even if the principal amount of the Notes has been written down and not yet reinstated in full. Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of Notes.

The Notes may be written-down or converted into equity securities or other instruments (i) so long as they constitute, fully or partly, Additional Tier 1 Capital or Tier 2 Capital, independently and/or before a resolution procedure is initiated and after such resolution procedure is initiated pursuant to the bail-in power of the relevant resolution authority, and/or (ii) if and when the Notes are fully excluded from Additional Tier 1 Capital or Tier 2 Capital, after a resolution procedure is initiated pursuant to the bail-in power of a Relevant Authority. Due to the fact that the Notes (including in circumstances where the Notes are fully excluded from Additional Tier 1 Capital and Tier 2 Capital) rank junior to any unsubordinated obligations of the Issuer, they would be written-

down or converted in full before any such unsubordinated obligations are written-down or converted. For further information, see also, the paragraph "*The Outstanding Principal Amount of the Notes may be written down to absorb losses*" below.

The holders of the Notes bear significantly more risk than holders of senior obligations or any other obligation ranking senior to the Notes. As a consequence, there is a substantial risk that holders of the Notes will lose all or a significant part of their investments if the Issuer were to enter into resolution or liquidation proceedings.

Early redemption and repurchase of the Notes may be restricted

The rules under the CRR prescribe certain conditions for the granting of permission by the Relevant Authority to a request by the Issuer to redeem or repurchase the Notes. In this respect, the CRR provides that the Relevant Authority shall grant permission to a redemption or repurchase of the Notes, in accordance with Articles 77 and 78 of the CRR, provided that either of the following conditions is met, as applicable to the Notes:

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

(b) the Issuer has demonstrated to the satisfaction of the Relevant Authority that its own funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the capital requirements laid down in the Applicable Banking Regulations by a margin that the Relevant Authority considers necessary.

In addition, the rules under the CRR provide that the Relevant Authority may only permit the Issuer to redeem the Notes before five years after the Issue Date of the Notes if:

(a) the conditions listed in paragraphs (a) or (b) above are met; and

(b) in the case of redemption upon the occurrence of a Tax Event in accordance with Condition 8.2 (*Redemption for tax reasons*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date; or

(c) in the case of redemption upon the occurrence of a Regulatory Event in accordance with Condition 8.3 (*Redemption for regulatory reasons*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date; or

(d) on or before the relevant call, redemption, repayment or repurchase, the Issuer replaces the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Relevant Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(e) the Notes are repurchased for market making purposes.

Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*) provides that redemption of the Notes is subject to the foregoing, subject in any event to any different conditions or requirements as may be provided from time to time under the Applicable Banking Regulations.

See further Condition 8.8 (Regulatory conditions for call, redemption, repayment or purchase).

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

The Conditions place no restriction on the amount of debt or other securities that the Issuer may issue that ranks senior to, or *pari passu* with, the Notes. The issue of any such debt or securities may reduce the amount recoverable by holders of the Notes should the Issuer become insolvent. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including cancellation of interest and write-down of principal and, if the Issuer were liquidated, the Noteholders could suffer loss of their entire investment.

The Issuer may elect in its full discretion and at any time to cancel interest on the Notes in whole or in part and may, in certain circumstances, be required to cancel such interest

Interest on the Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) for an unlimited period and on a no-cumulative basis any interest payment that would otherwise be payable on any Interest Payment Date. Further:

- the Issuer shall not make any interest payment on the Notes on any Interest Payment Date (and such interest payment shall be deemed to have been cancelled and shall not be due and payable on such Interest Payment Date), and shall not pay any Additional Amounts thereon, if the Issuer has an amount of Distributable Items on such Interest Payment Date that is less than the sum of all distributions or interest payments on the Notes and on all other Own Funds items (including any Additional Amounts in respect thereof but excluding any distributions or interest payments on Tier 2 instruments which have already been accounted for, by way of deduction, in the calculation of Distributable Items) plus any potential write-ups on any Loss Absorbing Written-Down Instruments, in each case paid or made, or scheduled to be paid or made, in the then current financial year. See further Condition 5.2(a)(i) and the risk factor below headed "*– The Issuer's ability to make interest payments under the Notes depends on its Distributable Items*";

- in circumstances where restrictions on distributions by reference to Maximum Distributable Amount applies, no payments will be made on the Notes (whether by way of principal, interest or otherwise) if and to the extent that such payment – when aggregated with (x) other distributions of the kind referred to in Article 141 of the CRD IV and any other similar restrictions on distributions provisions contained in the Applicable Banking Regulations from time to time applicable to the Issuer or the Group (or, as the case may be, any provision of Italian law transposing or implementing such provisions, including Circular No. 285) and (y) the amount of any write-ups (where applicable) on any Loss Absorbing Written Down Instruments – would cause the Maximum Distributable Amount then applicable to the Issuer or the Group (as the case may be) to be exceeded, or would otherwise result in a violation of any other similar regulatory restriction or prohibition on payments on Additional Tier 1 instruments imposed on the Issuer or the Group pursuant to Applicable Banking Regulations. See further Condition 5.2(a)(ii) and the risk factor below headed "*The determination of Maximum Distributable Amount is complex*"; and

- the Issuer shall not make an interest payment on the Notes on any Interest Payment Date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such Interest Payment Date), if and to the extent that the Relevant Authority orders or requires the Issuer to cancel the relevant interest payment on the Notes scheduled to be paid. See further Condition 5.2(a)(iii).

In particular, the Relevant Authority has the power under Article 104(1)(i) of the CRD IV Directive to restrict or prohibit payments of interest by the Issuer to holders of Additional Tier 1 instruments such as the Notes. The risk of any such intervention by the Relevant Authority is most likely to materialise at a time when the Issuer or the Banco BPM Group is failing, or is expected to fail, to meet its capital requirements. Also, in accordance with Article 63(j) of the BRRD (as implemented in Italy by Article 60(1)(i) of Legislative Decree No. 180/2015), the Relevant Authority has the power to alter the amount of interest payable under debt instruments (such as the Notes) issued by banks subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period). The Relevant Authority also has intervention power under Articles 53-bis and 67-ter of the Italian Banking Act to impose requirements on the Issuer, the effect of which can be to restrict or prohibit payments of interest by the Issuer to holders of financial instruments computed in its regulatory capital (such as the Notes), which intervention power is most likely to be exercised at a time when the Issuer is failing, or is expected to fail, to meet its capital or liquidity requirements. In addition, under the amendments to Article 45 of the BRRD comprised in the EU Banking Reform, a breach of the minimum requirement for own funds and eligible liabilities can be addressed by the Relevant Authority also on the basis of measures under Article 141 of the CRD IV, pursuant to which the Issuer is prohibited from making certain discretionary distributions (including payments on its Additional Tier 1 instruments) in an amount in excess of the amount calculated in accordance with such Article 141 ("MDA"), where it fails to meet the combined buffer requirements.

Furthermore, according to Article 16a of the BRRD, where the Issuer meets the combined buffer requirement for the purposes of Article 141 of the CRD IV in addition to its own funds requirements, but fails to meet the combined buffer requirement when considered in addition to the minimum requirement for own funds and eligible liabilities ("MREL") requirement, the resolution authority shall have the power to prohibit the Issuer from making certain types of distributions (including payments on Additional Tier 1 instruments) in excess of the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities ("M-MDA"). The resolution authority has discretion as to whether to exercise its powers to prohibit such distributions for the first nine months after being notified by the Issuer of such failure, which assessment is required to be repeated at least every month for so long as the Issuer remains in breach. If the Issuer (at Group consolidated level and at solo level) is in breach for more than nine months, the resolution authority (after consulting the competent authority) is required to exercise its powers to prohibit distributions (which may include restricting payments on Additional Tier 1 instruments such as the Notes), unless the resolution authority finds, following an assessment, that certain conditions are fulfilled (such as when the failure is due to a serious disturbance to the functioning of financial markets which leads to broad-based financial market stress across several segments of financial markets, or when such disturbance prevents the entity from issuing own funds instruments and eligible liability instruments sufficient to remedy the failure). Consequently, in the event of a breach of the combined buffer requirement, or of the combined buffer requirement when considered in addition to the MREL requirement, it may become necessary for the Issuer to reduce certain discretionary payments (such as interest payments on the Notes) and may also result in the Issuer exercising its discretion to cancel (in whole or in part) interest payments on the Notes.

Furthermore, upon the occurrence of a Trigger Event (as defined in Condition 2 (*Definitions)*), any accrued and unpaid interest on the Notes through to the Write-Down Effective Date shall be automatically cancelled and shall not be due and payable. See further Condition 5.2(a)(iv).

The cancellation of any Interest Amounts shall not constitute a default for any purpose on the part of the Issuer. Interest on the Notes is not cumulative and any Interest Amounts that the Issuer elects not to pay or is prohibited from paying will not accumulate or be payable at any time thereafter, and shall not entitle the Noteholders to receive any additional interest or compensation. See further Condition 5.3 (*Interest Cancellation – Effect of interest cancellation*).

Because the Issuer is entitled to cancel Interest Amounts in its full discretion, it may do so even if it could make such payments without exceeding the limits of Distributable Items or Maximum Distributable Amounts described above. Interest Amounts on the Notes may be cancelled even if holders of the Issuer's shares continue to receive dividends and/or the Issuer continues to make payments of interest or other amounts on other Additional Tier 1 instruments.

It is the Issuer's current intention that, when exercising its discretion to propose any dividend in respect of the Issuer's shares or its discretion to cancel payments of interest on the Notes, the Issuer will take into account the relative ranking of these instruments in its capital structure. However, the Issuer is not bound by, and may at any time at its sole discretion depart from, this intention and as explained in this risk factor, in accordance with the Applicable Banking Regulations and the Conditions, the Issuer may in its discretion elect to cancel any payment of interest at any time and for any reason.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that, for example, the Issuer may not have sufficient Distributable Items and/or may fail to meet the relevant requirements under the Applicable Banking Regulations such as to trigger operation of the restrictions on distributions by reference to Maximum Distributable Amount may have an adverse effect on the market price of the Notes.

The Issuer's ability to make interest payments under the Notes depends on its Distributable Items and, in certain circumstances, its Maximum Distributable Amount

Condition 5.2(a)(i) provides that the Issuer shall not make any interest payment on the Notes on any Interest Payment Date (and such interest payment shall be deemed to have been cancelled and shall not be due and payable on such Interest Payment Date), and shall not pay any Additional Amounts thereon, if the Issuer has an

amount of Distributable Items on such Interest Payment Date that is less than the sum of all distributions or interest payments on the Notes and on all other Own Funds items (including any Additional Amounts in respect thereof but excluding any distributions or interest payments on Tier 2 instruments which have already been accounted for, by way of deduction, in the calculation of Distributable Items) plus any potential write-ups on any Loss Absorbing Written-Down Additional Tier 1 instruments, in each case paid or made, or scheduled to be paid or made, in the then current financial year.

The Issuer's ability to make interest payments under the Notes therefore depends on the level of its Distributable Items as well as its future profitability. As at 31 December 2024, the Issuer had approximately €2,164.1 million of Distributable Items (represented by reserves booked in line item 140 "Reserves" of the Liabilities of the non-consolidated financial statements of Banco BPM). As at 31 December 2023, the Issuer had approximately €1,945.1 million of Distributable Items[1]. The availability of Distributable Items to fund interest payments on the Notes may be adversely affected by distributions paid and/or scheduled to be paid on instruments ranking *pari passu* with or senior to the Notes, as well as on more junior ranking instruments such as dividends on the Issuer's shares. The actual level of the Issuer's Distributable Items may furthermore be affected by changes to accounting rules, and is impacted by the Issuer's decisions to allocate sums to distributable and non-distributable reserves or to make any earnings adjustments as well as other factors that influence the Issuer's profitability in general. Also, a portion of the Distributable Items equal to €414.1 million as at 31 December 2024 benefits from a tax suspension pursuant to article 110 of the Law Decree 14 August 2020, no. 104 converted into Law 13 October 2020, no. 126. Therefore, such portion of Distributable Items can be distributed to the shareholders or holders of debt securities, including the Notes, but in such case the Issuer will have to pay relevant taxes on the distributed amount at the then applicable ordinary tax rate and would not benefit anymore from the tax suspension. The impact of the application of the ordinary tax rate will be taken into consideration by the Issuer when deciding whether to make any such distribution or to make any interest payment on the Notes.

The determination of Maximum Distributable Amount is complex

The Maximum Distributable Amount imposes a cap on the Issuer's ability to pay interest on the Notes as well as to reinstate the Outstanding Principal Amount of the Notes following a Write-Down, as a result of the restrictions on distributions provisions contained in the Applicable Banking Regulations.

Under the CRD IV, institutions are required to hold a minimum amount of regulatory capital equal to 8.0% of risk-weighted assets (the so called "**Pillar 1 requirement**"). CRD IV also introduces the combined buffer requirement (namely, the capital conservation buffer, the institution-specific counter-cyclical buffer, the G-SII buffer, the O-SII buffer and the systemic risk buffer) that is required to be met with CET1 capital. In addition, supervisory authorities may impose extra capital requirements above the Pillar 1 requirement. It has been clarified that the level of own funds above the Pillar 1 requirement will comprise a Pillar 2 requirement (which is binding) and a Pillar 2 guidance which is not directly binding. The EBA Guidelines on SREP published in July 2018 furthermore clarify that the Pillar 2 requirement is stacked below the capital buffers, thus directly affecting the application of Maximum Distributable Amount, while the Pillar 2 guidance is stacked above the capital buffers.

The amendments to the CRR contained in the EU Banking Reform provide further clarification on the role of Pillar 2 guidance, referred to as the supervisory guidance on additional own funds. In particular, competent authorities may communicate to an institution an adjustment to the amount of capital in excess of the minimum own funds requirements, the additional own funds requirement and the combined buffer requirement that they expect such institution to hold in order to deal with forward looking stress scenarios. Such supervisory guidance on additional own funds constitutes a capital target and is to be regarded as positioned above the aforementioned

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1 The amounts of Distributable Items indicated are an estimate based on the Issuer's current understanding of the Applicable Banking Regulations.

The Issuer shall not make an interest payment on the Notes on any Interest Payment Date, and shall not pay any Additional Amounts in respect of such interest payment, if the Issuer has an amount of Distributable Items (as defined in the conditions below) on such Interest Payment Date that is less than the sum of all distributions or interest payments on the Notes and on all other Own Funds items of the Issuer plus any potential write-ups on any Loss Absorbing Instruments that may have been written down, in each case, paid and/or scheduled to be paid in the then current financial year. See further Condition 5.2(a)(i) (*Restriction on interest payments*) of the Terms and Conditions of the Notes.

requirements. Failure to meet such target does not trigger restrictions on distributions by reference to Maximum Distributable Amount.

Concerning the systemic risk buffer ("**SyRB**"), following a public consultation, on 26 April 2024 the Bank of Italy issued a press release (Activation of the Systemic Risk Buffer) pursuant to which the Bank of Italy decided – in accordance with Article 133 of Directive (EU) 2019/878 (CRD V) – to apply a systemic risk buffer of 1.0 per cent of exposures towards Italian residents weighted for credit and counterparty credit risks. The SyRB applies to all banks and banking groups authorised to carry out banking activities in Italy. Furthermore, the Bank of Italy mandates that the target rate of 1.0 per cent is to be achieved gradually by setting aside a reserve of 0.5 per cent of material exposures by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025. The SyRB has to be applied at both the consolidated and the individual level.

Under Article 141 of the CRD IV, institutions that fail to meet the combined buffer requirement are subject to restrictions on discretionary payments (including payments on Additional Tier 1 instruments such as the Notes). Such restrictions are scaled according to the extent of the breach of the combined buffer requirement, and calculated as a percentage of the profits of the institution since the last distribution of profits or "discretionary payment". Such calculation will result in a "Maximum Distributable Amount" ("**MDA**"). As a result, in the event of breach of the combined buffer requirement, it may be necessary to reduce discretionary payments, including potentially cancel interest payments on the Notes. Because the Issuer will have discretion to determine how to allocate the Maximum Distributable Amount among the different types of discretionary payments, the Issuer may elect to allocate available amounts to discretionary payments other than in respect of the Notes. Moreover, payments made earlier in the relevant period will reduce the remaining Maximum Distributable Amount available for payments later in the relevant period, and the Conditions do not impose any obligation on the Issuer to preserve any portion of the Maximum Distributable Amount for interest payments due under the Notes. The precise level of Maximum Distributable Amount will depend on the amount of net income earned during the course of the relevant period, which is necessarily difficult to predict.

Under the EU Banking Reform, the restrictions on distributions provisions by reference to Maximum Distributable Amount set forth in Article 141 of the CRD IV are extended to apply also in situations where:

- an institution does not have Tier 1 capital in the amount needed to meet at the same time its leverage ratio buffer requirement, the leverage ratio requirement and additional own funds requirement to address excessive leverage risk not sufficiently covered by the leverage ratio requirement. In such a situation, the institution is required to calculate the Leverage ratio related Maximum Distributable Amount ("**L-MDA**"), and shall not make any discretionary payments in excess of such L-MDA; and

- an institution fails to meet its combined buffer requirement when considered in addition to its minimum requirement for own funds and eligible liabilities. In such a situation, the resolution authority has the power to prohibit the institution from making discretionary payments (including payments on Additional Tier 1 instruments such as the Notes) in excess of the Maximum Distributable Amount related to the minimum requirement for own funds and eligible liabilities (the "**M-MDA**"). The resolution authority shall assess whether to exercise such power on a monthly basis and shall – following a nine months grace period – exercise such power subject to certain limited exceptions.

The extended application of the restrictions on distributions provisions by reference to the L-MDA (to the extent applicable to the Issuer) and the M-MDA introduced by the EU Banking Reform increases the risk of a cancellation of interest payments under the Notes as well as impose further limitations on the Issuer's ability to reinstate principal on the Notes following a Write-Down. Holders of the Notes may not be able to predict accurately the proximity of the risk of discretionary interest payments or principal reinstatements on the Notes being restricted from time to time as a result of operation of the aforementioned restrictions on distributions provisions by reference to Maximum Distributable Amount.

The Outstanding Principal Amount of the Notes may be written down to absorb losses

If, at any time, the CET1 Ratio of the Issuer on a solo basis or of the Group on a consolidated basis is less than 5.125% (the "**Trigger Level**"), as determined by the Issuer, the Relevant Authority or any agent appointed for such purpose by the Relevant Authority (a "**Trigger Event**"), the Issuer shall irrevocably and mandatorily write down the Outstanding Principal Amount of each Note with effect from the Write-Down Effective Date in accordance with the provisions set out in Condition 6 (*Loss Absorption following a Trigger Event*). A Trigger

Event may occur on more than one occasion, and the Outstanding Principal Amount of each Note may be written down on more than one occasion, provided that the Outstanding Principal Amount of a Note may never be reduced to below once cent.

The Issuer's current and future outstanding junior and *pari passu* ranking securities might not include in their contractual terms write-down or similar loss absorption features with triggers comparable to those of the Notes. As a result, it is possible that the Notes will be subject to a Write-Down under the Conditions, while other junior or *pari passu* ranking securities remain outstanding and continue to receive payments, thus exposing the Noteholders to losses ahead of holders of such other junior or *pari passu* ranking securities.

In addition, although a Write-Down of the Notes is expected to occur concurrently, or substantially concurrently, and on a *pro rata* basis, with the write-down or conversion into equity of other Loss Absorbing Instruments of the Issuer, to the extent that the write-down or conversion of any such other Loss Absorbing Instrument is not effective for any reason, (i) such ineffectiveness shall not prejudice the requirement to effect a write-down of the Notes; and (ii) the write-down or conversion of any Loss Absorbing Instrument that is not effective shall not be taken into account in determining the Write-Down Amount of the Notes. Accordingly, a failure to write down or convert into equity other Loss Absorbing Instruments may result in an increase in the Write-Down Amount of the Notes. Any Write-Down of a Note shall not constitute an Event of Default or a breach of any other obligations of the Issuer, and shall not entitle the Noteholders to any compensation or to petition for the insolvency or dissolution of the Issuer or otherwise.

Although Condition 6.3 (*Principal Reinstatement*) permits the Issuer to reinstate the written-down Outstanding Principal Amount of the Notes, any Principal Reinstatement is at the full discretion of the Issuer and there is no obligation for the Issuer to operate or accelerate any Principal Reinstatement under specific circumstances. Any Principal Reinstatement at the discretion of the Issuer is conditional on there being positive net income or consolidated net income, needs to be made on a *pro rata* basis with other Loss Absorbing Written-Down Instruments and is subject to the limits imposed by operation of the restrictions on distributions provisions by reference to Maximum Distributable Amount. See further Condition 6.3(e). There can be no assurance that these conditions will be met or that the Issuer will exercise its discretion to effect a Principal Reinstatement.

Following each Write-Down, interest will accrue (subject to any subsequent Write-Down or Principal Reinstatement) on the Outstanding Principal Amount of the Notes as so written down. Furthermore, any accrued and unpaid interest on the Notes through to the Write-Down Effective Date shall be automatically cancelled and shall not be due and payable. In the event of a liquidation of the Issuer prior to the Notes being written up in full pursuant to Principal Reinstatement(s), the Noteholders' claim will be based on the then prevailing Outstanding Principal Amount of the Notes. Accordingly, Noteholders may lose all or some of their investment as a result of one or more Write-Down(s), and the market price of the Notes is expected to be affected by fluctuations in the Issuer's solo or consolidated CET1 Ratio and consequential actual or potential Write-Down of the Notes.

The Notes may furthermore be subject to write-down or conversion into equity on application of the General Bail-In Tool as well as non-viability loss absorption under the BRRD, which may result in the Noteholders losing some or all of their investment. See further the risk factor headed "*The Notes may be subject to mandatory write-down or conversion into equity under the BRRD regulatory framework*" above.

The Issuer may be required to reduce the principal amount of the Notes to absorb losses, which would also impact the Interest Amounts payable on any Interest Payment Date while the Notes are written down

The Notes may trade, and/or the prices for the Notes may appear, on the Official List of the Luxembourg Stock Exchange and the Euro MTF market or in other trading systems with accrued interest. If this occurs, purchasers of Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), purchasers of such Notes will not be entitled to the interest payment so cancelled (or the portion of such interest payment not paid) on the relevant Interest Payment Date. This may affect the value of any investment in the Notes.

Noteholders will bear the risk of changes in the CET1 Ratio as the circumstances surrounding a Trigger Event are unpredictable, and there are a number of factors that could affect the CET1 ratio

The market price of the Notes is expected to be affected by changes in the Issuer's solo and consolidated CET1 Ratio. The Relevant Authority, as part of its supervisory activity, may instruct the Issuer to calculate such ratio as of any date, including if the Issuer and/or the Group is subject to recovery and resolution actions by the relevant resolution authority, or the Issuer might otherwise determine to calculate such ratio in its own discretion. Because the CET1 Ratio may be calculated as at any date, the occurrence of a Trigger Event (as defined in the Conditions) is inherently unpredictable and could occur at any time. The calculation of the CET1 Ratio could be affected by one or more factors including, among other things, changes in the mix of the Issuer's businesses, its ability to manage risk-weighted assets in its businesses, events affecting its earnings, dividend payments, changes in its group structure as well as changes in applicable accounting rules or the manner in which accounting policies are applied (or permitted discretions are exercised), and such ration may even fluctuate during a quarterly period.

The Issuer's CET1 Ratio will be affected by regulatory changes (including imposition of additional own funds and eligible liabilities or buffer requirements and/or changes to the definitions, calculations and interpretations of capital requirements or their application to the Issuer), or by changes in applicable accounting rules. The Group also has capital resources and risk weighted assets denominated in foreign currencies, and changes in foreign exchange rates will result in changes in the relevant currency equivalent value of foreign currency denominated capital resources and risk weighted assets. As a result, the CET1 Ratio is exposed to foreign currency movements. These changes may have a material adverse impact on the Group's calculations of regulatory capital, including CET1 Capital and Risk Weighted Assets, and the CET1 Ratio.

Because of the inherent uncertainty regarding occurrence of a Trigger Event, it will be difficult to predict when, if at all, a Write-Down may occur and interest payments will be cancelled. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the CET1 Ratio of the Issuer, on a solo or consolidated level, is approaching the Trigger Level may have an adverse effect on the market price and liquidity of the Notes.

The Issuer's interests may not be aligned with those of the Noteholders

The Issuer's CET1 Ratio, Distributable Items and Maximum Distributable Amount will depend, in part, on decisions made by the Issuer relating to its businesses and operations as well as the management of its capital position. The Issuer has no obligation to consider the interests of the Noteholders when making its strategic or capital management decisions and may, for example, decide not to raise capital to remedy a potential breach of its CET1 Ratio at a time when feasible to do so. Noteholders will not have any claim against the Issuer relating to decisions taken by the Issuer that impact the capital position of the Issuer on a solo or consolidated basis, regardless of whether they result in the occurrence of a Trigger Event or would otherwise trigger restrictions on payments on the Notes, thereby causing the Noteholders to lose all or part of their investment in the Notes.

Some aspects of the manner in which the CRD IV, the CRR, the BRRD and the SSM Regulation will be interpreted remain uncertain

The CRD IV Package, as amended by the EU Banking Reform, has imposed a series of requirements some of which remain to be phased in as of the date of this Prospectus. Although a number of interpretational issues have already been resolved, or are being addressed by the amendments introduced under the EU Banking Reform, other interpretational issues remain to be resolved or may arise in the future. Furthermore, many matters are left to the discretion of the Relevant Authority and the circumstances under which the Relevant Authority would exercise such discretion (such as application of the General Bail-In Tool) may not be certain.

Changes in applicable law (or the interpretation or application thereof) may, in certain circumstances to the extent they result in a change in the tax treatment of the Notes, entitle the Issuer to redeem the Notes pursuant to Condition 8.2 (*Redemption for tax reasons*). Furthermore, a change (or pending change which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes from their classification on the Issue Date that results, or would be likely to result, in their exclusion in full (or, to the extent permitted under the Applicable Banking Regulations, in part) from the Additional Tier 1 Capital or their reclassification as a lower form of capital in accordance with the Applicable Banking Regulations may entitle the Issuer to redeem the Notes pursuant to Condition 8.3 (*Redemption for regulatory reasons*). In such events,

the Issuer may exercise its option to redeem the Notes, which could materially and adversely affect investors and frustrate their investment strategies and objectives.

These and other uncertainties could affect an investor's ability to value the Notes accurately and adversely impact the trading price and liquidity of the Notes.

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

The Rate of Interest applicable to the Notes will be reset on the First Reset Date and on every Reset Date thereafter. Such Rate of Interest will be determined two TARGET Settlement Days before the relevant Reset Date and as such, is not pre-defined at the Issue Date. Investment in the Notes, therefore, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes as a Reset Rate of Interest determined for a Reset Interest Period may be lower than the Rate of Interest of the immediately preceding (Reset) Interest Period. The uncertainty regarding the Reset Rate of Interest of the Notes for future Reset Interest Period(s) may adversely affect the yield and the market value of the Notes.

Modification

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders, make any modification of the Notes which is: (i) in the opinion of the Issuer, not prejudicial to the interests of the Noteholders; (ii) of a formal, minor or technical nature or to correct a manifest error or to cure any ambiguity or defective or inconsistent provision contained therein; or (iii) to comply with mandatory provisions of the law, in the circumstances described, and subject to the provisions set forth, in Condition 14.1 (*Meetings of Noteholders, modification and waiver for Regulatory Event, Tax Event or Alignment Event, or to ensure effectiveness and enforceability of Bail-In Power*) of the Terms and Conditions of the Notes.

In addition, the Issuer may without the consent of the Noteholders, in accordance with the provisions of Condition 14.2 (Modification of the Notes for Regulatory Event, Tax Event or Alignment Event, or to ensure effectiveness and enforceability of Bail-In Power), modify the terms of the Notes, where a Regulatory Event, a Tax Event or an Alignment Event has occurred or in order to ensure the effectiveness and enforceability of the Bail-In Power. See further the risk factor headed "Notes may be subject to modification without Noteholder consent" below.

Change of law

The Terms and Conditions of the Notes are governed by Italian law. No assurance can be given as to the impact of any possible judicial decision or change to Italian law or its administrative practice after the date of this Prospectus.

Denominations of the Notes

Because the Notes are issued in denominations of €200,000 and integral multiples of €1,000, it is possible that the Notes may be traded in amounts that are not integral multiples of the minimum denomination of €200,000. A holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his 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 such that its holding amounts to the minimum denomination of €200,000.

No physical document of title issued in respect of Dematerialised Notes

The Notes are issued in dematerialised form and evidenced through book entries pursuant to the relevant provisions of the Italian Finance Act, as amended and in accordance with the CONSOB and Bank of Italy Joint Regulation. In no circumstances would physical documents of title be issued in respect of the Notes. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli S.p.A. ("**Monte Titoli**", trading under the commercial name Euronext Securities Milan) and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the

Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries to hold accounts therewith, for transfer, payment and communication with the Issuer.

Notes may be subject to modification without Noteholder consent

Where (i) a Regulatory Event, a Tax Event or an Alignment Event has occurred and is continuing, and/or (ii) in order to ensure the effectiveness and enforceability of the Bail-In Power in accordance with Condition 17 (*Contractual Recognition of Bail-In Power*) or in accordance with applicable law, the Issuer shall be entitled to modify the terms of the Notes without the consent of the Noteholders, provided that certain conditions set out in the Terms and Conditions of the Notes are met. For so long as the Notes qualify as regulatory capital, the Relevant Authority has discretion as to whether or not it will approve such modification of the Terms and Conditions of the Notes, and any such modification which is considered by the Relevant Authority to be material may be treated by it as the issuance of a new instrument and this may require that the Notes (if to be eligible as Additional Tier 1 Capital), as so modified, may not be redeemed or repurchased prior to five years after the effective date of such modification.

While it is difficult to foresee the exact impact of any changes made under Condition 14.2 (Modification of the Notes for Regulatory Event, Tax Event or Alignment Event, or to ensure effectiveness and enforceability of Bail-In Power), a modification which is made to ensure the effectiveness and enforceability of the Bail-In Power does not need to satisfy the condition - set out in sub-paragraph (b)(i) of Condition 14.2 - that the Terms and Conditions of the Notes (as so modified) are not materially less favourable to the Noteholders and as such, may have a material adverse effect on Noteholders' investment in the Notes.

In the case of a modification made upon the occurrence of a Tax Event, a Regulatory Event or an Alignment Event, it is a requirement that the Conditions (as so modified) are not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms and conditions applicable to the Notes prior to such modification. However, no assurance can be given that such changes will not negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding the Notes (as so modified) for some categories of Noteholders could be different from the tax and stamp duty consequences for them of holding the Notes prior to such modification and, as such, Noteholders should consult their own tax advisors regarding such potential consequences.

Waiver of set-off

As specified in Condition 3.3, each holder of a 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 Note.

Notes have limited Events of Default and remedies

An "Event of Default" in respect of the Notes, as defined in the Conditions - upon the occurrence of which the Notes shall become immediately due and repayable - is limited to circumstances in which the Issuer becomes subject to compulsory winding-up (*liquidazione coatta amministrativa*) pursuant to Articles 80 and following of the Italian Banking Act or voluntary winding-up (*liquidazione volontaria*) pursuant to Article 96-quinquies of the Italian Banking Act, otherwise than for the purposes of an Approved Reorganisation.

Accordingly, other than following the occurrence of an Event of Default (as defined in the Conditions), even if the Issuer fails to meet any of its obligations under the Notes, including the payment of any interest, the holders of the Notes will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Furthermore, investors should take into account that the terms and conditions of the Notes do not provide for negative pledge provisions.

Risks related to the market generally

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

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. If investors decide to sell the Notes, there may be a limited number of buyers (if any) or there may be a surplus of debt securities of other issuers available with a similar credit maturity and other structural characteristics. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes. The trading market for, and current market value of, the Notes may also be affected by the level, direction and volatility of market interest rates. These and other factors unrelated to the creditworthiness of the Issuer may affect the price holders receive for the Notes and their ability to sell them at all. Investors should not purchase the Notes unless they understand and know they can bear the related investment risks.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Credit ratings may not reflect all risks

The Notes are rated by Fitch and Morningstar DBRS, each of which is established in the European Union and is registered under the CRA Regulation. Investors should be aware that:

(a) such rating will reflect only the views of the rating agency and may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes; and

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

An adverse change in a credit rating could adversely affect the trading price for the Notes. Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with structures similar to the Notes, as opposed to any revaluation of the Issuer's financial strength, or other factors such as conditions affecting the financial services industry generally.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent; (1) the Notes are legal investments for it, (2) the 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 the Notes under any applicable risk-based capital or similar rules.

OVERVIEW OF THE NOTES

This overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

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

Issuer:	BANCO BPM S.p.A.
LEI (Legal Entity Identifier):	815600E4E6DCD2D25E30
Joint Global Coordinators:	Barclays Bank Ireland PLC and Morgan Stanley & Co. International plc
Joint Bookrunners:	Banca Akros S.p.A., Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank and Morgan Stanley & Co. International plc
Paying Agent:	Banco BPM S.p.A.
Luxembourg Listing Agent:	BNP Paribas, Luxembourg Branch
Notes:	€400,000,000 6.250% Additional Tier 1 Notes
Issue Price:	100% of the principal amount of the Notes
Issue Date:	27 May 2025
Form and denomination of Notes:	The Notes will be in bearer form in denominations of €200,000 and integral multiples of €1,000 in excess thereof.
Negative pledge:	None
Status of the Notes:	The Notes are direct, unsecured and subordinated obligations of the Issuer that are intended to qualify for regulatory purposes as Additional Tier 1 capital of the Issuer in accordance with Article 52 of the CRR and Part II, Chapter 1 of Circular No. 285 (or any successor rules under the Applicable Banking Regulations). The payment obligations of the Issuer under the Notes constitute direct, unconditional and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and shall rank: (a) whilst the Notes constitute, fully or partly, Additional Tier 1 Capital: (i) junior to all present or future unsecured and unsubordinated obligations of the Issuer (including depositors of the Issuer), the Issuer's obligations in respect of any Tier 2 Instruments and any other present or future subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, senior to the Notes (including any subordinated instruments that have ceased to qualify in their entirety as Own Funds); (ii) *pari passu* among themselves and with any 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 Notes (including Additional Tier 1 instruments); and

(iii) senior to any present or future obligations of the Issuer which rank, or are expressed by their terms to rank, junior to the Notes (including, without limitation, the claims of the shareholders of the Issuer and any other obligations under instruments or items included in the CET1 capital of the Issuer).

(b) if and when the Notes are fully excluded from Additional Tier 1 Capital but so long as they constitute, fully or partly, Tier 2 Capital:

(i) junior to (i) all present or future unsecured and unsubordinated obligations of the Issuer (including depositors of the Issuer), and (ii) any other present or future unconditional, unsecured and subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, senior to the Notes (including any subordinated instruments that have ceased to qualify in their entirety as Own Funds);

(ii) *pari passu* with (i) the Issuer's obligations in respect of any Tier 2 Instruments, save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes; and (ii) any securities or other obligations of the Issuer that rank, or are expressed to rank, in liquidation or bankruptcy of the Issuer, *pari passu* with Tier 2 Capital; and

(iii) senior to any present or future obligations of the Issuer which rank, or are expressed by their terms to rank, junior to the Notes (including, without limitation, the claims of the shareholders of the Issuer and any other present or future obligations under instruments or items included in the CET1 capital of the Issuer, or under Additional Tier 1 instruments).

(c) if and when the Notes are fully excluded from Additional Tier 1 Capital and Tier 2 Capital:

(i) junior to all present or future unsecured and unsubordinated obligations of the Issuer (including depositors of the Issuer) and any other present or future unconditional, unsecured and subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, senior to subordinated instruments that have ceased to qualify in their entirety as Own Funds;

(ii) pari passu with all other present or future subordinated obligations of the Issuer that have ceased to qualify, in their entirety, as Own Funds and with all other subordinated obligations of the Issuer that have such ranking; and

(iii) senior to any present or future subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, junior to the Notes (including, without limitation, the claims of the shareholders of the Issuer, Additional Tier 1 instruments and Tier 2 Instruments).

No security or guarantee of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Noteholders. In the event of the liquidation, dissolution, winding-up (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Consolidated Banking Act) of the Issuer that occurs after the date on which a Trigger Event occurs but before the Write-Down Effective Date (as defined in Condition 6.2(b)), the rights and claims (if any) of the Noteholders in respect of their Notes shall be limited to such amount, if any, as would have been payable to Holders on a return of assets in such liquidation or bankruptcy of the Issuer if the Write-Down Effective Date had occurred immediately before the occurrence of such liquidation, dissolution or winding up of the Issuer.

It is the intention of the Issuer that the Notes shall, for regulatory purposes, be treated as Additional Tier 1 capital, but the obligations of the Issuer and the rights of the Noteholders shall not be affected if the Notes no longer qualify as Additional Tier 1 capital. However, the Issuer may redeem the Notes in accordance with Condition 8.3 (*Redemption for regulatory reasons*).

Interest and Interest Payment Dates: Each Note bears interest on its Outstanding Principal Amount, on a non-cumulative basis, at:

(a) in respect of the period from (and including) the Issue Date to (but excluding) 27 November 2030 (the "**First Reset Date**"), 6.250 per cent. per annum (the "**Initial Rate of Interest**"); and

(b) in the case of each Interest Period from (and including) the First Reset Date, the Reset Rate of Interest in respect of the relevant Reset Interest Period, as determined by the Calculation Agent,

(the "**Rate of Interest**") payable, subject as provided in these Conditions, semi-annually in arrear on 27 May and 27 November in each year (each, an "**Interest Payment Date**"). The first interest payment shall be made on 27 November 2025 in respect of the period from (and including) the Issue Date to (but excluding) 27 November 2025.

Discretionary interest payments: Interest on the Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) for an unlimited period and on a non-cumulative basis any interest payment that would otherwise be payable on any Interest Payment Date. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest

payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable. Any and all interest payments shall be payable only out of Distributable Items.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

Restriction on interest payments: Payment of interest on the Notes on any Interest Payment Date is subject to restrictions by reference to the amount of Distributable Items and to the Maximum Distributable Amount applicable to the Issuer and/or the Group. Furthermore, the Issuer shall not make any interest payment on the Notes on any Interest Payment Date if so ordered by the Relevant Authority, or following the occurrence of a Trigger Event.

"**Distributable Items**" has the meaning given to such term in CRR, as interpreted and applied in accordance with Applicable Banking Regulations, then applicable to the Issuer, where "before distributions to holders of own funds instruments" shall be read as a reference to "before distributions to holders of the Notes and to holders of any instruments constituting Own Funds.

"**Maximum Distributable Amount**" means any applicable maximum distributable amount relating to the Issuer and/or the Group, as the case may be, required to be calculated in accordance with the CRD IV Directive and/or any other Applicable Banking Regulation(s) (or any provision of Italian law transposing or implementing the CRD IV Directive and/or, if relevant, any other Applicable Banking Regulation(s)).

Non-cumulative interest: Interest will only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with Condition 5.1 (*Discretionary interest payment*) or Condition 5.2 (*Restriction on interest payments*). Any interest cancelled (in each case, in whole or in part) in such circumstances shall not be due and shall not accumulate or be payable at any time thereafter nor constitute an Event of Default under Condition 11 (*Event of Default and Enforcement*) or any other default for any purpose, and Noteholders shall have no rights thereto whether in a bankruptcy or liquidation of the Issuer or otherwise or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. Any such cancellation of interest imposes no restrictions on the Issuer. The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

Interest in case of Write-Down: Following a Write-Down, Noteholders shall automatically and irrevocably lose their rights to receive, and shall no longer have any rights against the Issuer with respect to, repayment of the Write-Down Amount, or any other amount on or in respect of such Write-Down Amount (but without prejudice to their rights in respect of any principal amount reinstated pursuant to Condition 6.3 (*Principal Reinstatement*). If a Trigger Event

occurs at any time, for so long as the Trigger Event continues, the Issuer shall not make any future interest payment on the Notes and any accrued and unpaid interest on the Notes through to the Write-Down Effective Date (whether or not such interests have become due for payment) shall be automatically cancelled in accordance with Condition 5.2.1(iv), and shall not be due and payable.

Following each Write-Down, interest will accrue on – subject to any subsequent Write-Down(s) or Principal Reinstatement(s) – the Outstanding Principal Amount of each Note as reduced by the Write-Down Amount from (and including) the relevant Write-Down Effective Date.

Write-Down following a Trigger Event:

If at any time a Trigger Event occurs, the Issuer shall irrevocably and mandatorily (without any requirement for the consent or approval of the Holders) write down the Outstanding Principal Amount of each Note (in whole or, as applicable, in part), with effect as from the Write-Down Effective Date, by the relevant Write-Down Amount.

"**CET1 Ratio**" means, at any time, the ratio of CET1 capital of the Issuer or the Group (as the case may be) as of such date to the Risk Weighted Assets of the Issuer or the Group (as the case may be) as of the same date, expressed as a percentage.

A "**Trigger Event**" means, at any time, that the CET1 Ratio of either the Issuer on a solo basis, or the Group on a consolidated basis (as the case may be) on such date is less than the Trigger Level. Whether a Trigger Event has occurred at any time shall be determined by the Issuer, the Relevant Authority or any agent appointed for such purpose by the Relevant Authority and such calculation shall be binding on the holders of the Notes.

"**Trigger Level**" means 5.125%.

"**Loss Absorbing Instrument**" refers to, at any time, any Additional Tier 1 instrument (other than the Notes) of the Issuer or, as applicable, the Group that may have all or some of its principal amount written down (whether on a permanent or temporary basis) or converted, in each case, in accordance with its conditions or otherwise, upon the occurrence or as a result of the CET1 Ratio of the Issuer or, as applicable, the Group, falling below a certain trigger level.

"**Write-Down Amount**" means the amount by which each Note shall be written-down, with effect as from the Write-Down Effective Date, being:

(a) the amount that - together with: (x) the write-down on a *pro rata* basis of the other Notes, and (y) the concurrent (or substantially concurrent) write-down or conversion into equity, on a *pro rata* basis based on their respective Outstanding Principal Amounts, of other Loss Absorbing Instruments that have fallen below the applicable trigger level of such instrument – would be sufficient to restore the CET1 Ratio of the Issuer and/or the Group to the Trigger Level; or

(b) if the write-down (together with (x) the write-down on a *pro rata* basis of the other Notes; and (y) the concurrent (or substantially concurrent) write-down or conversion into equity, on a *pro rata* basis based on their respective Outstanding Principal Amounts, of other Loss Absorbing Instruments that have fallen below the applicable trigger level of such instrument) is insufficient to restore the CET1 Ratio of the Issuer and/or the Group to the Trigger Level, the amount necessary to reduce the Outstanding Principal Amount of such Note to the smallest unit of such Note (currently one cent), as determined by the Applicable Banking Regulations,

subject as provided in Condition 6.2 (*Effect of Trigger Event*).

Principal Reinstatement:

If a positive Net Income or Consolidated Net Income has been recorded, the Outstanding Principal Amount may (at the discretion of the Issuer) be increased up to a maximum of its Original Principal Amount on a *pro rata* basis with other Loss Absorbing Written-Down Instruments (based on their then prevailing Outstanding Principal Amount), in accordance with (and subject to the limits of) the provisions of Condition 6.3 (*Principal Reinstatement*) and the Applicable Banking Regulations (including, *inter alia*, Article 21 of the Delegated Regulation).

In particular, where restrictions on distributions by reference to Maximum Distributable Amount applies, the proposed Principal Reinstatement of the Notes shall be limited to an amount so that - when aggregated with the payment of all other amounts that fall within the scope of the restrictions on distributions provisions contained in the CRD IV and/or the BRRD from time to time applicable to the Issuer and taking into account any principal reinstatements on other Loss Absorbing Written-Down Instruments - the Maximum Distributable Amount then applicable to the Issuer and/or the Group shall not be exceeded.

Any Principal Reinstatement of the Notes is furthermore subject to limitations by reference to the Maximum Reinstatement Amount. See further Condition 6.3(e)(ii).

No fixed redemption:

The Notes have no fixed redemption date.

Unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Notes will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) proceedings are instituted in respect of the Issuer (otherwise than for the purposes of an Approved Reorganization), in accordance with, as the case may be, (i) a resolution passed at a shareholders' meeting of the Issuer, (ii) any provision of the By-laws of the Issuer (which, as at 23 May 2025 provide for the duration of the Issuer to expire on 23 December 2114, but if such expiry date is extended, redemption of the Notes will be correspondingly adjusted), or (iii) any applicable legal provision, or any decision of any judicial or administrative authority. Upon maturity, the Notes will become due and payable at an amount equal to their Outstanding Principal Amount together (if any and excluding any interest cancelled in

accordance with Condition 5 (*Interest Cancellation*)) with interest accrued to (but excluding) the date of redemption and any additional amounts due and payable pursuant to Condition 9 (*Taxation*).

Redemption at the option of the Issuer:

The Issuer may, at its sole discretion (but subject to the provisions of Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*), redeem all of the Notes then outstanding on any Business Day from (and including) 27 May 2030 to (and including) the First Reset Date and on any Interest Payment Date thereafter (each, an "**Optional Redemption Date (Call)**") at their Outstanding Principal Amount together with accrued and unpaid interest (if any and to the extent not cancelled pursuant to Condition 5 (*Interest cancellation*)) to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

Redemption due to a Regulatory Event:

The Issuer may, at its sole discretion (but subject to the provisions of Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*), redeem all of the Notes then outstanding, following the occurrence of a Regulatory Event at their Outstanding Principal Amount together with accrued and unpaid interest (if any and to the extent not cancelled pursuant to Condition 5 (*Interest cancellation*)) to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

"**Regulatory Event**" means any change (or pending change which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes from their classification on the Issue Date that results, or would be likely to result, in their exclusion in full or, to the extent permitted under the Applicable Banking Regulations, in part, from the Additional Tier 1 capital of the Issuer or the Group (as the case may be) or, where applicable in accordance with the Applicable Banking Regulations, a reclassification as a lower quality form of Own Funds.

Redemption for tax reasons:

The Issuer may, at its sole discretion (but subject to the provisions of Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*), redeem, in whole or in part, the Notes then outstanding, following the occurrence of a Tax Event at their Outstanding Principal Amount together with accrued and unpaid interest (if any and to the extent not cancelled pursuant to Condition 5 (*Interest cancellation*)) to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

A "**Tax Event**" shall be deemed to have occurred if:

(a) (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*), or (y) part of the interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, deductible for Italian corporate income tax purposes, in each case, as a result of any Tax Law Change; and

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

Clean-Up Call: The Notes may be redeemed at the option of the Issuer in whole or in part (but subject to the provisions of Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*), at their Outstanding Principal Amount together with accrued and unpaid interest (if any and to the extent not cancelled pursuant to Condition 5 (*Interest cancellation*)) to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*), if at least 75% of the initial aggregate principal amount of the Notes has been purchased by, or on behalf of the Issuer and cancelled. See further Condition 8.5 (*Clean-Up Call*).

Conditions to redemption and purchase: The Notes may only be redeemed, purchased, substituted or modified pursuant to the Conditions with the prior approval of the Relevant Authority. Any such redemption or purchase is furthermore subject to the conditions set out in Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

Notes subject to Bail-In Power: Each Noteholder, by virtue of its acquisition of the Notes (whether on issuance or in the secondary market), agrees to be bound by and consent to:

(a) the effects of the exercise of the Bail-In Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (A) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (B) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions; (C) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest become payable, including by suspending payment for a temporary period; and

(b) the variation of the Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Bail-In Power by the Relevant Authority.

Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-In Power by the Relevant Authority.

	"**Bail-In Power**" means any statutory write-down, conversion, transfer, modification or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable to the Issuer or other entities of the Group (as the case may be) including but not limited to any laws, regulations, rules or requirements set forth in or implementing the BRRD, the BRRD Implementing Decrees and/or the SRM Regulation or any successor laws, regulations, rules or requirements establishing a framework for the recovery and resolution of the Issuer (and/or other entities of the Group, where applicable) within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of the Issuer (and/or other entities of the Group, where applicable) can be reduced, cancelled, transferred, modified, suspended or restricted for a temporary period and/or converted into shares or obligations of the obligor or any other person, whether in combination with a resolution action or otherwise.
Non-viability loss absorption	The Notes may furthermore be subject to write-down or conversion into equity on application of the non-viability loss absorption under the BRRD.
Modification following a Regulatory Event, a Tax Event or an Alignment Event, or to ensure effectiveness and enforceability of the Bail-In Power:	Where (i) a Regulatory Event, a Tax Event or an Alignment Event has occurred and is continuing, and/or (ii) in order to ensure the effectiveness and enforceability of the Bail-In Power in accordance with Condition 17 (*Contractual Recognition of Bail-In Power*) or in accordance with applicable law, the Issuer shall be entitled to modify the terms and conditions of the Notes, in accordance with and subject to the conditions set out in Condition 14.2 (*Modification of the Notes for Regulatory Event, Tax Event or Alignment Event, or to ensure effectiveness and enforceability of Bail-In Power*).
Taxation:	All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, withholding taxes imposed by or on behalf of any Tax Jurisdiction, unless a withholding or deduction is required by law. In that event, the Issuer will be required to pay – to the extent such payment can be made out of Distributable Items on the same basis as for payment of interest in accordance with Condition 5 (*Interest Cancellation*) and if permitted by Applicable Banking Regulations, and subject as provided in Condition 9 (*Taxation*) – additional amounts in respect of interest (but not on principal) as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.
Risk Factors:	There are certain risks related to the holding of the Notes which investors should ensure they fully understand. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in the section headed "*Risk Factors*".
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.

Listing and Trading:	The Notes are admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.
Rating:	The Notes are expected to be rated "B+" by Fitch and "BB (low)" by Morningstar DBRS. **A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. See "*Risk Factors – Risks related to the market generally – Credit ratings may not reflect all risks*".**
Form of the Notes:	The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their respective date of issue. The expression "**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg. The Notes have been accepted for clearance by Monte Titoli. The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24 February 1998, No. 58, as subsequently amended and supplemented (the "**Italian Finance Act**") and in accordance with the *Commissione Nazionale per le società e la Borsa* ("**CONSOB**") and Bank of Italy Joint Regulation dated 13 August 2018, as subsequently amended and supplemented ("**CONSOB and Bank of Italy Joint Regulation**"). No physical document of title will be issued in respect of the Notes. However, the Noteholders may ask the relevant intermediaries for certification of their holding pursuant to Article 83-*quinquies* and 83-*sexies* of the Italian Finance Act.
ISIN:	IT0005651788
Common Code:	308439577
Clearing systems:	Monte Titoli
Selling restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the Republic of Italy and France), the United Kingdom, Japan, Singapore and Canada. See "*Subscription and Sale*".
Prohibition of Sales to EEA Retail Investors and/or to UK Retail Investors:	The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area and/or in the United Kingdom.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Luxembourg Stock Exchange shall be incorporated by reference in, and form part of, this Prospectus, each to the extent specified in the cross-reference list further below:

(a) the English translation of the report on operations and the audited consolidated annual financial statements (including the auditors' report thereon and notes thereto) of Banco BPM as at and for the year ended 31 December 2023 (the "**2023 Annual Financial Statements**"). The 2023 Annual Financial Statements is available at https://gruppo.bancobpm.it/download/consolidated-2023-annual-report;

(b) the English translation of the report on operations and the audited consolidated annual financial statements (including the auditors' report thereon and notes thereto) of Banco BPM as at and for the year ended 31 December 2024 (the "**2024 Annual Financial Statements**"). The 2024 Annual Financial Statements is available at https://gruppo.bancobpm.it/download/consolidated-2024-annual-report;

(c) the English translation of the press release issued on 12 February 2025 on the consolidated results of Banco BPM as at and for the year ended 31 December 2024 (the "**12 February 2025 Press Release**"), which is available at https://gruppo.bancobpm.it/download/the-board-of-directors-of-banco-bpm-approves-the-results-as-of-31-december-2024-and-the-update-of-the-strategic-plan;

(d) the English translation of the press release issued on 7 May 2025 on the consolidated results of Banco BPM as at and for the three months ended 31 March 2025 (the "**7 May 2025 Press Release**"), which is available at https://gruppo.bancobpm.it/download/banco-bpm-group-results-q1-2025;

(e) the base prospectus relating to the €25,000,000,000 Euro Medium Term Note Programme of the Issuer dated 16 May 2025 (the "**EMTN Base Prospectus**") to the extent of the pages indicated in the cross-reference table below, available at https://gruppo.bancobpm.it/download/base-prospectus-16-may-2025;

(f) the English translation of the articles of association (*statuto*) of the Issuer (incorporated for information purposes) (the "**Articles of Association**"), available at https://gruppo.bancobpm.it/media/dlm_uploads/Statuto-BBPM-ENG_07.04.2022.pdf.

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

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the principal office in Luxembourg of BNP Paribas Luxembourg Branch (the "**Luxembourg Listing Agent**") for the time being in Luxembourg and will also be published on the Luxembourg Stock Exchange's website (*www.luxse.com*). BNP Paribas Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.

Any documents which are themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus (unless they are being separately incorporated by reference in this Prospectus under this section).

Cross Reference List

The following table shows where the information incorporated by reference into this Prospectus can be found in the above mentioned documents incorporated by reference into this Prospectus.

Document	Information incorporated	Page numbers
Banco BPM S.p.A. audited consolidated annual financial statements as at and for the financial year ended 31 December 2023	Significant Events During the Year	27-39
	Results	40-75
	Results by business segment	76-126
	Consolidated financial statements:	
	Consolidated Balance sheet	160-161
	Consolidated Income statement	162
	Statement of consolidated comprehensive income	163
	Statement of changes in consolidated shareholders' equity	164-165
	Consolidated cashflow statement	166-167
	Notes to the consolidated financial statements	170-591
	Independent Auditors' Report on the consolidated financial statements	597-609*
Banco BPM S.p.A. audited consolidated annual financial statements as at and for the financial year ended 31 December 2024	Significant Events During the Year	26-36
	Results	37-73
	Results by business segment	74-122
	Consolidated financial statements:	
	Consolidated Balance sheet	364-365
	Consolidated Income statement	366
	Statement of consolidated comprehensive income	367
	Statement of changes in consolidated shareholders' equity	368-369
	Consolidated cashflow statement	370-371
	Notes to the consolidated financial statements	374-783
	Independent Auditors' Report on the consolidated financial statements	791-805*
12 February 2025 Press Release	Entire document, with the exclusion of (i) the information included on pages from 6 (included) to 8 (included); (ii) the information included in the last paragraph of the section entitled "*Business Outlook*" on page 24; and (iii) the information included in the section entitled "*Strategic Plan Update*" on pages from 24 (included) to 30 (included)	1 – 44
7 May 2025 Press Release	Entire document, with the exclusion of (i) the second bullet point under the paragraph entitled "*The first quarter of 2025 marks an all-time record by recording the best net income ever*" on page 1; (ii) the second and third paragraphs on page 1; (ii) the second bullet point under the paragraph entitled "*Solid and significant contribution of non-interest income*" on page 2; (iv) the last bullet point under the paragraph entitled "*Public tender offer on Anima Holding successfully completed*" on page 2; (v) the fourth bullet point under the paragraph entitled "*Solid capital position, liquidity and*	1 – 22

Document	Information incorporated	Page numbers
	funding" on page 3; (vi) the last paragraph (including the four bullet points thereunder) on page 3; (vii) the information included in the last paragraph of the section entitled "*Business Outlook*" on page 14; (viii) the information included in the section entitled "*Explanatory Notes – 1. Accounting policies and reference accounting standards – Acquisition of control of the Anima Holding group*" on page 16; and (ix) the information included on page 23	
EMTN Base Prospectus	Risk Factors – Risk Factors Relating to the Issuer	13 – 26
	Each risk factor set out under the heading "*Risks related to the impact of global macro-economic factors"*	13 – 14
	Each risk factor set out under the heading "*Risks related to the financial situation of the Issuer and the Group*"	14 – 17
	Each risk factor set out under the heading "*Risks relating to the Issuer's business activities and industry*"	17 – 23
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* The page numbers identified are those of the complete consolidated annual report of Banco BPM relating to the year ended 31 December 2023 and 2024, respectively including, *inter alia*, the 2023 Annual Financial Statements and the 2024 Annual Financial Statements, respectively.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes

This Note is one of a Series (as defined below) of the €400,000,000 6.250% Additional Tier 1 Notes (the "**Notes**") (ISIN IT0005651788) issued by BANCO BPM S.p.A. (the "**Issuer**"), authorised by a resolution of the board of directors of the Issuer passed on 7 May 2025, on the basis of these terms and conditions (the "**Conditions**" and each, a "**Condition**"). The Issuer will also act as paying agent for the Notes (the "**Paying Agent**"), save that the issuer is entitled to appoint a different Paying Agent for the Notes in accordance with Condition 7 (*Payments*). References in these Conditions to "**Paying Agent**" shall mean, for so long as the Issuer acts as paying agent for the Notes, the Issuer in its capacity as such, or such other party from time to time appointed by the Issuer to act as paying agent for the Notes.

References in these Conditions to the "**holder**" of a Note or to "**Noteholders**" are to the beneficial owners of Notes issued in dematerialised form and evidenced in book entry form with Monte Titoli S.p.A., also currently known as Euronext Securities Milan ("**Monte Titoli**") pursuant to the relevant provisions of Legislative decree No. 58 of 24 February 1998, as amended (the "**Italian Finance Act**") and in accordance with the CONSOB and Bank of Italy Regulation dated 13 August 2018, as subsequently amended and supplemented from time to time (the "**CONSOB and Bank of Italy Joint Regulation**"). No physical document of title will be issued in respect of the Notes. Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") are intermediaries authorised to operate through Monte Titoli.

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders (as defined below) whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be. In these Conditions, the expression "**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg

As used herein, "**Series**" means a tranche of the Notes together with further tranche(s) of the Notes (if any) issued pursuant to Condition 15 (*Further Issues*) which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

If the Notes are to be admitted to listing and trading on the regulated or non-regulated market of a stock exchange, these Conditions will (for so long as the regulations of such stock exchange requires) be published on the website of such stock exchange. In the absence of such listing, these Conditions will only be obtainable by a Noteholder holding one or more Notes by providing evidence satisfactory to the Issuer and the Paying Agent as to its holding of such Notes and its identity.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form in denominations of €200,000 and integral multiples of €1,000 in excess thereof, and will be held in dematerialised form on behalf of the beneficial owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg. The Notes will at all times be evidenced by book-entries pursuant to the relevant provisions of the Italian Finance Act and in accordance with the CONSOB and Bank of Italy Joint Regulation. No physical document of title will be issued in respect of the Notes. For so long as the Notes are held by Monte Titoli, they will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli.

In determining whether a particular person is entitled to a particular nominal amount of notes, the Paying Agent may rely, without liability, on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be to the records for which Monte Titoli acts as depository.

2. DEFINITIONS

2.1 In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**5-year Mid-Swap Rate**" means, in relation to a Reset Interest Period and the Reset Determination Date in relation to such Reset Interest Period, (a) the annual mid-swap rate for euro swap transactions with a term of five years, expressed as a percentage, which appear on the Relevant Screen Page as of 11.00 (CET) on such Reset Determination Date; or (b) in the circumstances described in Condition 4.3 (*Fallbacks*), the Reset Reference Bank Rate determined in accordance with Condition 4.3 (*Fallbacks*).

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(b) has a term of five years commencing on the relevant Reset Date;

(c) is in a Representative Amount; and

(d) has a floating leg (calculated on an Actual/360 day count basis) based on EURIBOR (the "**Mid-Swap Floating Leg Benchmark Rate**") for a 6-month period ("**EURIBOR 6-month**"). EURIBOR 6-month shall – subject to Condition 4.4 (*Benchmark event*) – be the rate for deposits in euro for a six-month period which appears on the Relevant Screen Page as of 11.00 (CET) on the Reset Determination Date for the relevant Reset Date; or (y) if such rate does not appear on the Relevant Screen Page at such time on such Reset Determination Date, the arithmetic mean of the rates at which deposits in euro are offered by four major banks in the Eurozone interbank market, as selected by the Issuer, at such time on such Reset Determination Date to prime banks in the Eurozone interbank market for a six-month period commencing on such Reset Date in a Representative Amount, with the Calculation Agent to request the principal Eurozone office of each such major bank to provide a quotation of its rate.

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

"**Additional Tier 1**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations taking into account any transitional arrangements under the Capital Instruments Regulations;

an "**Alignment Event**" will be deemed to have occurred if, as a result of a change in or amendment to the Applicable Banking Regulations or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions;

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy and applicable to the Issuer or the Group (as the case may be), including, without limitation, the CRD IV Package, the Capital Instruments Regulations, the Circular No. 285, the BRRD, the BRRD Implementing Decrees, the Banking Reform Package, the SRM Regulation and any other regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority or of the institutions of the European Union (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be) and standards and guidelines issued by the European Banking Authority;

"**Approved Reorganisation**" means a solvent and voluntary reorganization involving, alone or with others, the Issuer, and whether by way of consolidation, amalgamation, merger, transfer of all or substantially all of its business or assets, or otherwise provided that the principal resulting, surviving or transferee entity (a "**Resulting Entity**") is a banking company and effectively assumes all the obligations of the Issuer, under, or in respect of, the Notes;

"**Bail-In Power**" means any statutory write-down, conversion, transfer, modification or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable to the Issuer or other entities of the Group (as the case may be) including but not limited to any laws, regulations, rules or requirements set forth in or implementing the BRRD, the BRRD Implementing Decrees and/or the SRM Regulation or any successor laws, regulations, rules or requirements establishing a framework for the recovery and resolution of the Issuer (and/or other entities of the Group, where applicable) within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of the Issuer (and/or other entities of the Group, where applicable) can be reduced, cancelled, transferred, modified, suspended or restricted for a temporary period and/or converted into shares or obligations of the obligor or any other person, whether in combination with a resolution action or otherwise.

"**Banking Reform Package**" means (i) 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 ration, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposure to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012, (ii) 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 recapitalization capacity of credit institutions and investment firms, (iii) 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, and (iv) 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 recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC;

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

"**BRRD**" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**BRRD Implementing Decrees**" means the Legislative Decrees No. 180 and 181 of November 16, 2015, implementing the BRRD in the Republic of Italy, as amended or replaced from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law);

"**Business Day**" means a day which is both:

(b) 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 London and Milan; and

(c) a day on which the real-time gross settlement system operated by the Eurosystem, or any successor system ("**T2**") is open;

"**Calculation Agent**" means the Paying Agent, or such other person appointed by the Issuer from time to time to act as calculation agent for the Notes;

"**Capital Instruments Regulations**" means the Delegated Regulation and any other rules or regulations of the Relevant Authority or of the institutions of the European Union or which are otherwise applicable to the Issuer or the Group (as the case may be), whether introduced before or after the Issue Date, which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled

by financial instruments for their inclusion in the Own Funds of the Issuer or the Group (as the case may be) to the extent required under the CRD IV Package (including, without limitation, any rules or regulations implementing the Banking Reform Package);

"**CET1 capital**" or "**Common Equity Tier 1 capital**" has the meaning, in respect of either the Issuer on a solo basis or the Group on a consolidated basis (as the case may be), given to it in the CRR complemented by the applicable transitional provisions of the Applicable Banking Regulations as implemented in Italy, in each case as calculated by the Issuer in accordance with the Applicable Banking Regulations then applicable to the Issuer or the Group (as the case may be), which calculation shall be binding on the Noteholders;

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

"**CET1 Ratio**" means, at any time, the ratio of CET1 capital of the Issuer or the Group (as the case may be) as of such date to the Risk Weighted Assets of the Issuer or the Group (as the case may be) as of the same date, expressed as a percentage;

"**Consolidated Net Income**" means the net income of the Group as set out in the most recently published audited consolidated financial statements after such financial statements have been formally approved by the board of directors of Banco BPM;

"**Circular No. 285**" means the Bank of Italy Circular No. 285 of 17 December 2013, setting forth the supervisory provisions for banks (*Disposizioni di Vigilanza per le Banche*), as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law);

"**CRD IV**" 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, as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**CRD IV Package**" means the CRD IV and the CRR;

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 4 (*Interest*), "**Actual/Actual (ICMA)**", which means:

(b) 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 (I) the number of days in such Determination Period and (II) the number of Interest Determination Dates that would occur in one calendar year; or

(c) where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(i) 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 Interest Determination Dates that would occur in one calendar year; and

(ii) 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 Interest Determination Dates that would occur in one calendar year;

"**Delegated Regulation**" means Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014 supplementing the CRR with regard to the regulatory technical standards for Own Funds

requirements for institutions, as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of any rules or regulations implementing the Banking Reform Package);

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

"**Distributable Items**" has the meaning given to such term in CRR, as interpreted and applied in accordance with Applicable Banking Regulations then applicable to the Issuer, where "before distributions to holders of own funds instruments" shall be read as a reference to "before distributions to holders of the Notes and to holders of any instruments constituting Own Funds";

"**First Interest Payment Date**" means 27 November 2025;

"**First Reset Date**" means 27 November 2030;

"**Group**" means the Issuer and its consolidated Subsidiaries (or any other entities that are consolidated in the Issuer's calculation of its Own Funds on a consolidated basis in accordance with Applicable Banking Regulations);

"**Interest Commencement Date**" means the Issue Date of the Notes;

"**Interest Determination Date**" means 27 May and 27 November in each year;

"**Interest Payment Date**" means 27 May and 27 November in each year from (and including) the First Interest Payment Date;

"**Issue Date**" means 27 May 2025;

"**Italian Banking Act**" means Legislative Decree No. 385 of 1 September 1993, as amended, supplemented or replaced from time to time;

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

"**Loss Absorbing Instrument**" refers to, at any time, any Additional Tier 1 instrument (other than the Notes) of the Issuer or, as applicable, the Group that may have all or some of its principal amount written down (whether on a permanent or temporary basis) or converted, in each case, in accordance with its conditions or otherwise, upon the occurrence or as a result of the CET1 Ratio of the Issuer or, as applicable, the Group, falling below a certain trigger level;

"**Loss Absorption Requirement**" means the power of the Relevant Authority to impose that Own Funds instruments or other liabilities of the Issuer or entities of the Group (as the case may be) are subject to full or partial write-down of the principal or conversion into CET1 Instruments or other instruments of ownership;

"**Loss Absorbing Written-Down Instrument**" refers to, at any time, a Loss Absorbing Instrument that has had all or some of its principal amount written down on a temporary basis;

"**Margin**" means 4.066%, being equal to the margin used to calculate the Initial Rate of Interest;

"**Maximum Distributable Amount**" means any applicable maximum distributable amount relating to the Issuer and/or the Group, as the case may be, required to be calculated in accordance with the CRD IV Directive and/or any other Applicable Banking Regulation(s) (or any provision of Italian law transposing or implementing the CRD IV Directive and/or, if relevant, any other Applicable Banking Regulation(s));

"**Maximum Reinstatement Amount**" has the meaning given to such term in Condition 6.3 (*Principal Reinstatement*);

"**Net Income**" means the non-consolidated net income of the Issuer as calculated on a statutory basis and as set out in the most recently published audited financial statements after such financial statements have been formally approved by the shareholders' meeting;

"**Optional Redemption Date (Call)**" means any Business Day from and including 27 May 2030 to (and including) the First Reset Date and any Interest Payment Date thereafter;

"**Original Principal Amount**" means the principal amount (which, for these purposes, is equal to the nominal amount) of the Notes or, as the case may be, the Loss Absorbing Instrument, upon issuance without regard to any subsequent write-down or principal reinstatement;

"**Outstanding Principal Amount**" means (i) in respect of a Note or the Notes, the outstanding principal amount thereof, as adjusted from time to time for any reduction as required by then current legislation and/or regulations applicable to the Issuer (including as a result of the Loss Absorption Requirement), or pursuant to a Write-Down under these Conditions and (if applicable) reinstated on one or more occasions following a Principal Reinstatement under these Conditions, in each case rounded to two decimal places, with 0.005 rounded down, and provided that it may never be reduced below the smallest unit of a Note (currently one cent); and (ii) in respect of a Loss Absorbing Instrument, the principal amount thereof calculated on a basis analogous to the calculation of the Outstanding Principal Amount of the Notes;

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

"**Principal Reinstatement Amount**" means the amount by which the Outstanding Principal Amount of each Note in effect prior to the relevant Principal Reinstatement, is to be reinstated and written up on the Principal Reinstatement Effective Date on the balance sheet of the Issuer, as specified in the relevant Reinstatement Notice;

"**Principal Reinstatement Effective Date**" means the date on which Outstanding Principal Amount of each Note is reinstated and written up (in whole or in part) on the balance sheet of the Issuer, as specified in the relevant Reinstatement Notice;

"**Reference Banks**" means five leading swap dealers in the Eurozone interbank market as selected by the Issuer in its discretion;

"**Regulatory Event**" means any change (or pending change which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes from their classification on the Issue Date that results, or would be likely to result, in their exclusion in full or, to the extent permitted under the Applicable Banking Regulations, in part, from the Additional Tier 1 capital of the Issuer or the Group (as the case may be) or, where applicable in accordance with the Applicable Banking Regulations, a reclassification as a lower quality form of Own Funds;

"**Relevant Authority**" means, as the context may require, (i) the European Central Bank or the Bank of Italy, acting within the framework of the Single Supervisory Mechanism, or any successor or replacement authority having responsibility for the prudential oversight and supervision of the Issuer or the Group (as the case may be), and/or (ii) the Single Resolution Board, the European Council, the European Commission or the Bank of Italy, acting within the framework of the Single Resolution Mechanism, or any successor or replacement authority having responsibility for the resolution of the Issuer or other entities of the Group (as the case may be);

"**Relevant Screen Page**" means the display page on the relevant Bloomberg / Reuters information service designated as:

(b) in the case of the 5-year Mid-Swap Rate, the "ICAE 53" page; or

(c) in the case of EURIBOR 6-month, the "EURIBOR01" page,

or in each case such other page, section or other part as may replace that page on that information service or such other information service, in each case, as may be nominated by the person providing or

sponsoring the information appearing there for the purpose of displaying rates equivalent or comparable thereto;

"**Representative Amount**" means 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;

"**Reset Date**" means the First Reset Date and every fifth anniversary thereof;

"**Reset Interest Period**" means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"**Reset Determination Date**" means, in relation to a Reset Interest Period, the day falling two TARGET Settlement Days immediately preceding the Reset Date on which such Reset Interest Period commences;

"**Reset Rate of Interest**" means, in relation to a Reset Interest Period, the sum of (a) subject to Condition 4.4 (*Benchmark event*), the 5-year Mid-Swap Rate in relation to that Reset Interest Period; and (b) the Margin, first calculated on an annual basis and then converted to a semi-annual rate in accordance with market convention (rounded to four decimal places, with 0.00005 rounded down), all as determined by the Calculation Agent on the relevant Reset Determination Date;

"**Reset Reference Bank Rate**" means, in relation to a Reset Interest Period and the Reset Determination Date in relation to such Reset Interest Period, the percentage rate determined in accordance with the provisions set out in Condition 4.3 (*Fallbacks*).

"**Risk Weighted Assets**" means, at any time, the aggregate amount of the risk weighted assets of the Issuer on a solo basis or the Group on a consolidated basis (as the case may be) as of such date, as calculated by the Issuer in accordance with the Applicable Banking Regulations, including any applicable transitional arrangements;

"**Single Resolution Mechanism**" means the single resolution mechanism established pursuant to the SRM Regulation;

"**Single Supervisory Mechanism**" means the single supervisory mechanism established pursuant to the SSM Regulation;

"**SRM Regulation**" means Regulation (EU) No. 806/2014 of the European Parliament and of the 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, as amended, supplemented or replaced from time to time (including as a consequence of the entry into force of the Banking Reform Package);

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

"**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;

"**Subsidiary**" means any company or person that is controlled by the Issuer pursuant to Article 23 of the Italian Banking Act;

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

"**Tax Law Change**" means any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) (including any treaty to which the Tax Jurisdiction is a party) or any change in the application or official or generally published interpretation of such laws or regulations (including a change or amendment resulting from a ruling by a court or tribunal of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date.

"**Tier 2 Capital**" means at any time tier 2 capital as interpreted and applied in accordance with the Applicable Banking Regulations, taking into account any transitional arrangements under the Capital Instruments Regulations;

"**Tier 2 Instruments**" means at any time tier 2 instruments as interpreted and applied in accordance with the Applicable Banking Regulations;

a "**Trigger Event**" means, at any time, that the CET1 Ratio of either the Issuer on a solo basis, or the Group on a consolidated basis (as the case may be) on such date is less than the Trigger Level. Whether a Trigger Event has occurred at any time shall be determined by the Issuer, the Relevant Authority or any agent appointed for such purpose by the Relevant Authority and such calculation shall be binding on the holders of the Notes;

"**Trigger Level**" means 5.125%; and

"**Write-Down**" means, with reference to these Notes, a reduction of the Outstanding Principal Amount of each Note by the relevant Write-Down Amount in accordance with Condition 6 (*Loss Absorption following a Trigger Event*) and "written down" shall be construed accordingly.

3. STATUS OF THE NOTES

3.1 The Notes are direct, unsecured and subordinated obligations of the Issuer that are intended to qualify for regulatory purposes as Additional Tier 1 capital of the Issuer and the Group in accordance with Article 52 of the CRR and Part II, Chapter 1 of Circular No. 285 (or any successor rules under the Applicable Banking Regulations).

The payment obligations of the Issuer under the Notes constitute direct, unconditional and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and shall rank:

(a) whilst the Notes constitute, fully or partly, Additional Tier 1 Capital:

(i) junior to all present or future unsecured and unsubordinated obligations of the Issuer (including depositors of the Issuer), the Issuer's obligations in respect of any Tier 2 Instruments and any other present or future subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, senior to the Notes (including any subordinated instruments that have ceased to qualify in their entirety as Own Funds);

(ii) *pari passu* among themselves and with any 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 Notes (including Additional Tier 1 instruments); and

(iii) senior to any present or future obligations of the Issuer which rank, or are expressed by their terms to rank, junior to the Notes (including, without limitation, the claims of the shareholders of the Issuer and any other obligations under instruments or items included in the CET1 capital of the Issuer).

(b) if and when the Notes are fully excluded from Additional Tier 1 Capital but so long as they constitute, fully or partly, Tier 2 Capital:

(i) junior to (i) all present or future unsecured and unsubordinated obligations of the Issuer (including depositors of the Issuer) and (ii) any other present or future unconditional, unsecured and subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, senior to the Notes (including any subordinated instruments that have ceased to qualify in their entirety as Own Funds);

(ii) *pari passu* with (i) the Issuer's obligations in respect of any Tier 2 Instruments, save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes; and (ii) any securities or other obligations of the Issuer that rank, or are expressed to rank, in liquidation or bankruptcy of the Issuer, *pari passu* with Tier 2 Capital; and

(iii) senior to any present or future obligations of the Issuer which rank, or are expressed by their terms to rank, junior to the Notes (including, without limitation, the claims of the shareholders of the Issuer and any other present or future obligations under instruments or items included in the CET1 capital of the Issuer, or under Additional Tier 1 instruments).

(c) if and when the Notes are fully excluded from Additional Tier 1 Capital and Tier 2 Capital:

(i) junior to all present or future unsecured and unsubordinated obligations of the Issuer (including depositors of the Issuer) and any other present or future unconditional, unsecured and subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, senior to subordinated instruments that have ceased to qualify in their entirety as Own Funds;

(ii) *pari passu* with all other present or future subordinated obligations of the Issuer that have ceased to qualify, in their entirety, as Own Funds and with all other subordinated obligations of the Issuer that have such ranking; and

(iii) senior to any present or future subordinated obligations of the Issuer which rank, or are expressed by their terms to rank, junior to the Notes (including, without limitation, the claims of the shareholders of the Issuer, Additional Tier 1 instruments and Tier 2 Instruments).

3.2 No security or guarantee of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Noteholders. In the event of the liquidation, dissolution, winding-up (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Consolidated Banking Act) of the Issuer that occurs after the date on which a Trigger Event occurs but before the Write-Down Effective Date (as defined in Condition 6.2(b)), the rights and claims (if any) of the Noteholders in respect of their Notes shall be limited to such amount, if any, as would have been payable to Holders on a return of assets in such liquidation or bankruptcy of the Issuer if the Write-Down Effective Date had occurred immediately before the occurrence of such liquidation, dissolution or winding up of the Issuer.

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

3.4 It is the intention of the Issuer that the Notes shall, for regulatory purposes, be treated as Additional Tier 1 capital, but the obligations of the Issuer and the rights of the Noteholders shall not be affected if the Notes no longer qualify as Additional Tier 1 capital. However, the Issuer may redeem the Notes in accordance with Condition 8.3 (*Redemption for regulatory reasons*).

3.5 The Notes (including, for the avoidance of doubt, payments of principal and/or interest) shall be subject to the Loss Absorption Requirement, if so required under the BRRD and/or the SRM Regulation, in accordance with the powers of the Relevant Authority and where the Relevant Authority determines that the application of the Loss Absorption Requirement to the Notes is necessary pursuant to applicable law and/or regulation in force from time to time.

3.6 There is no negative pledge in respect of the Notes.

4. INTEREST

4.1 Initial Rate of Interest and Reset Rate of Interest

Each Note bears interest on its Outstanding Principal Amount, on a non-cumulative basis:

(a) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Reset Date, at a fixed rate of 6.250 per cent. per annum (the "**Initial Rate of Interest**"), being the rate that is equal to the sum of (x) the mid-swap rate for euro swap transactions with a term of 5.5 years (interpolated) commencing on the Issue Date; and (y) the Margin, first calculated on an annual basis and then converted to a semi-annual rate in

accordance with market convention (rounded to four decimal places, with 0.00005 rounded down); and

(b) in respect of the Interest Period from (and including) the First Reset Date to (but excluding) the next Reset Date, and each successive Reset Interest Period, at the Reset Rate of Interest in respect of the relevant Reset Interest Period, as determined by the Calculation Agent,

(the "**Rate of Interest**") payable, subject as provided in these Conditions, semi-annually in arrear on each Interest Payment Date. The first interest payment shall be made on 27 November 2025 in respect of the period from (and including) the Issue Date to (but excluding) 27 November 2025.

4.2 **Determination of Reset Rate of Interest in relation to a Reset Interest Period**

Subject to Condition 4.4 (*Benchmark Event*), the Calculation Agent will, as soon as reasonably practicable after 11:00 a.m. (Central European time) on each Reset Determination Date in relation to a Reset Interest Period, determine the Reset Rate of Interest for such Reset Interest Period.

4.3 **Fallbacks**

(a) If on any Reset Determination Date, the Relevant Screen Page is not available or the 5-year Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its 5-year Mid-Swap Rate Quotations as at approximately 11.00 (CET) on such Reset Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate for such Reset Period will be the percentage reflecting the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided.

(b) If no quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period shall be: (x) in the case of each Reset Interest Period other than the Reset Interest Period commencing on the First Reset Date, the 5-year Mid-Swap Rate that most recently appeared on the Relevant Screen Page; or (y) in respect of the Reset Interest Period commencing on the First Reset Date, 2.243% per annum (being the 5-year Mid-Swap Rate at the time of pricing).

4.4 **Benchmark event**

Notwithstanding the provisions in this Condition 4, if the Issuer determines that a Benchmark Event has occurred in relation to the 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 following provisions shall apply to the Notes:

(a) the Issuer shall use reasonable endeavours to select and appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Reference Rate, failing which an Alternative Reference Rate, and in each case an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Reset Determination Date relating to the next Reset Interest Period (the "**IA Determination Cut-off Date**"), for the purposes of determining the Reset Rate of Interest applicable to the Notes for such next Reset Interest Period and for all other future Reset Interest Periods (subject to the subsequent operation of this Condition 4.4 during any other future Reset Interest Period(s));

(b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer is unable to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine: (A) a Successor Reference Rate; or (B) an Alternative Reference Rate and, in each case, an Adjustment Spread (if any) no later than three Business Days prior to the Reset Determination Date relating to the next Reset Interest Period (the "**Issuer Determination Cut-off Date**"), for the purposes of

determining the Reset Rate of Interest applicable to the Notes for such next Reset Interest Period and for all other future Reset Interest Periods (subject to the subsequent operation of this Condition 4.4 during any other future Reset Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(c) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 4.4:

(i) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all future Reset Interest Periods for which the Reset Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to the Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.4);

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

(A) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Reset Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.4); or

(B) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Reset Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.4); and

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

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

(B) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Reset Interest Periods (subject to the subsequent operation of this Condition 4.4 (each such change, together with any such change required pursuant to Condition 4.4(iii)(C)(I) above, a "**Benchmark Amendment**" and, together, the "**Benchmark Amendments**"); and

(d) promptly following the determination of (a) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (b) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 4.4(iii)(C) to the Paying Agent and, if applicable, the Calculation Agent and the Noteholders in

accordance with Condition 13 (*Notices*). Any Benchmark Amendments effected pursuant to Condition 4.4(iii)(C) shall similarly be notified to the Noteholders in accordance with Condition 13 (*Notices*).

No consent of the Noteholders shall be required in connection with the determination by the Issuer or, as the case may be, the Independent Adviser of the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) or in connection with any Benchmark Amendment as described in this Condition 4.4, including any changes to these Conditions. Any such determination shall (in the absence of manifest error) be binding on the all Noteholders and (in the absence of manifest error as aforesaid) no liability to the Noteholders shall attach to the Issuer or, as applicable, the Independent Adviser, in connection with such determination.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 4.4 prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 4.3(*Fallbacks*).

Notwithstanding any other provision of this Condition 4.4: (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as: regulatory capital or, or in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Authority treating an Interest Payment Date or a Reset Date as the effective maturity of the Notes.

In no event shall the Calculation Agent (in its capacity as such) be responsible for determining any Successor Reference Rate, Alternative Reference Rate, Adjustment Spread, Benchmark Event, or any Benchmark Amendment. 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.

For the purposes of this Condition 4.4:

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case, which the Independent Adviser (or the Issuer, as applicable) determines is required to be applied to the Successor Reference Rate or an Alternative Reference 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 as a result of the replacement of the Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(b) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or

(c) (if no such recommendation has been made or in the case of an Alternative Reference Rate) the Independent Adviser or the Issuer, as applicable, determines is customarily applied to the relevant Successor Reference Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(d) if it is determined that no such spread is customarily applied, the Independent Adviser or the Issuer, as applicable, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Reference Rate or the Alternative Reference Rate (as the case may be); or

(e) (if the Independent Adviser or the Issuer, as applicable, determines that no such industry standard is recognised or acknowledged), the Independent Adviser or the Issuer, as applicable, determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

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

"**Benchmark Event**" means, in respect of a Reference Rate:

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

(c) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will 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

(d) 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, be permanently or indefinitely discontinued; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or

(f) 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 by a specific date; or

(g) it has become unlawful (including, without limitation, under the EU Benchmark Regulation (Regulation (EU) 2016/1011), as amended from time to time, if applicable) for any Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that in the case of sub-paragraphs (b), (c) and (e), the Benchmark Event shall occur on the later of (i) the date which is six months prior to 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 (ii) the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

"**Original Reference Rate**" means the 5-year Mid-Swap Rate (or any component part thereof), provided that if, following one or more Benchmark Events, the 5-year Mid-Swap Rate or relevant component part thereof (or, in either case, any Successor Reference Rate or Alternative Reference Rate that has replaced it) has been replaced by a (or a further) Successor Reference Rate or Alternative Reference Rate and a Benchmark Event subsequently occurs in respect of such Successor Reference Rate or Alternative Reference Rate, the term "Original Reference Rate" shall include any such Successor Reference Rate or Alternative Reference Rate.

"**Relevant Nominating Body**" means, in respect of a reference rate:

(b) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or

(c) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the

administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

"**Successor Reference Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

4.5 **Determination of Reset Rate of Interest and calculation of Interest Amounts**

Subject to Condition 4.4 (*Benchmark Event*), the Calculation Agent will at or as soon as practicable after each time at which the Reset Rate of Interest is to be determined, determine the Reset Rate of Interest for the relevant Reset Interest Period.

From (and including) the First Reset Date, the Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable – subject to these Conditions - on the Notes for the relevant Interest Period by applying the Rate of Interest to the Outstanding Principal Amount of such Note during such Interest Period, and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

4.6 **Notification of Reset Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Reset Rate of Interest for each Reset Interest Period and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, and the stock exchange or listing agent (if any) on which the Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as reasonably practicable after their determination. The Reset Rate of Interest, 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 be promptly notified to the stock exchange or listing agent (if any) on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*).

4.7 **Certificates to be final**

All certificates, communications, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Calculation Agent (in its capacity as such), the Paying Agent (in its capacity as such) and/or, if applicable, the Independent Adviser, shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and all Noteholders and (in the absence of manifest error as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent (in its capacity as such), the Paying Agent (in its capacity as such) or, as applicable, the Independent Adviser, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.8 **Accrual of interest**

Each Note will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in these Conditions.

5. **INTEREST CANCELLATION**

5.1 **Discretionary interest payments**

Interest on the Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) for an unlimited period and on a non-cumulative basis any interest payment that would otherwise be payable on any Interest Payment Date. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable. Any and all interest payments shall be payable only out of Distributable Items.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

5.2 **Restriction on interest payments**

(a) Without prejudice to (i) full discretion of the Issuer to cancel interest payments on the Notes; and (ii) the prohibition to make payments on Additional Tier 1 instruments pursuant to the restrictions on distributions provisions contained in the Applicable Banking Regulations before the Maximum Distributable Amount (in circumstances where restrictions on distributions by reference to Maximum Distributable Amount applies) is calculated:

(i) subject to the extent permitted in Condition 5.2(b) below, the Issuer shall not make an interest payment on the Notes on any Interest Payment Date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such Interest Payment Date), and shall not pay any Additional Amounts in respect of such interest payment, if the Issuer has an amount of Distributable Items on such Interest Payment Date that is less than the sum of all distributions or interest payments on the Notes and all other Own Funds items (including any Additional Amounts in respect thereof but excluding – for the avoidance of doubt – any such distributions or interest payments on Tier 2 Instruments which have already been accounted for, by way of deduction, in the calculation of Distributable Items) plus any potential write-ups on any Loss Absorbing Written-Down Instruments, in each case paid (or made) and/or scheduled to be paid (or made) in the then current financial year;

(ii) subject to the extent permitted in Condition 5.2(b) below, in circumstances where restrictions on distributions by reference to Maximum Distributable Amount applies, no payments will be made on the Notes (whether by way of principal, interest, or otherwise) if and to the extent that such payment – when aggregated with (x) other distributions of the kind referred to in the restrictions on distributions provisions contained in Article 141 of the CRD IV and any other similar restrictions on distributions provisions contained in the Applicable Banking Regulations from time to time applicable to the Issuer or the Group (or, as the case may be, any provision of Italian law transposing or implementing such provisions, including Circular No. 285) and (y) the amount of any write-ups (where applicable) on any Loss Absorbing Written-Down Instruments - would cause the Maximum Distributable Amount then applicable to the Issuer or the Group (as the case may be) to be exceeded, or would otherwise result in a violation of any other similar regulatory restriction or prohibition on payments on Additional Tier 1 instruments imposed on the Issuer or the Group pursuant to Applicable Banking Regulations;

(iii) the Issuer shall not make an interest payment on the Notes on any Interest Payment Date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such Interest Payment Date), if and to the extent that the Relevant Authority orders or requires the Issuer to cancel the relevant interest payment on the Notes scheduled to be paid; and

(iv) if a Trigger Event occurs at any time, the Issuer shall not, for so long as the Trigger Event continues, make any further interest payment on the Notes (including any Additional Amounts in respect thereof). Any accrued and unpaid interest through to the Write-Down Effective Date relating to such Trigger Event (whether or not such interests have become due for payment) shall be automatically cancelled, and shall not be due and payable.

(b) The Issuer may, in its sole discretion, elect to make a partial interest payment on the Notes on any Interest Payment Date, only to the extent that such partial interest payment may be made

without breaching the restrictions set out in sub-paragraphs (i), (ii), (iii) and (iv) of Condition 5.2(a) above.

5.3 **Effect of interest cancellation**

Interest will only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with Condition 5.1 (*Discretionary interest payments*) or Condition 5.2 (*Restriction on interest payments*) above. Any interest cancelled (in each case, in whole or in part) in such circumstances shall not be due and shall not accumulate or be payable at any time thereafter nor constitute: (i) an Event of Default under Condition 11 (*Event of Default and Enforcement*) or any other default for any purpose, (ii) any breach of any obligation of the Issuer under the Notes; (iii) the occurrence of any event related to the insolvency of the Issuer; and shall not entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Issuer, and Noteholders shall have no rights thereto whether in a bankruptcy or liquidation of the Issuer or otherwise or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. Any such cancellation of interest imposes no restrictions on the Issuer. The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

5.4 **Notice of interest cancellation**

If practicable, the Issuer shall provide notice of any cancellation of interest (in whole or in part) to the Noteholders on or prior to the relevant Interest Payment Date at least five (5) Business Days prior to the relevant Interest Payment Date. Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest payment on the Notes that will be paid on the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Noteholders any rights as a result of such failure.

5.5 **Interest Amount in case of Write-Down**

Subject to Condition 5.1 (*Discretionary interest payments*) and Condition 5.2 above (*Restriction on interest payments*), in the event that a Write-Down occurs during an Interest Period, any accrued and unpaid interest through to the Write-Down Effective Date shall be cancelled pursuant to Condition 6.2 (*Effect of Trigger Event*) and the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated in accordance with Condition 4 (*Interest*), provided that the Day Count Fraction shall be determined as if the Interest Period started on, and included, the Write-Down Effective Date.

5.6 **Interest Amount in case of Principal Reinstatement**

Subject to Condition 5.1 (*Discretionary interest payments*) and Condition 5.2 above (*Restriction on interest payments*), in the event that one or more Principal Reinstatement(s) occur(s) during an Interest Period, any Interest Amount payable on the Interest Payment Date immediately following such Principal Reinstatement(s) shall be calculated by determining the amount of interest accrued on the Notes for each period (ending on (and excluding) the write-up date on which a Principal Reinstatement occurs or, as the case may be, the last day of such Interest Period) within such Interest Period during which a different Outstanding Principal Amount subsists (for the purpose of this Condition 5.6, a "**Relevant Period**"), which shall be the product of (x) the applicable Rate of Interest, (y) the Outstanding Principal Amount before (and excluding) the write-up date on which such Principal Reinstatement occurs, and (z) the Day Count Fraction (determined as if the Calculation Period ended on, but excluding, the date of such Principal Reinstatement); and the Interest Amount payable – subject to these Conditions - for such Interest Period shall be the aggregate of the amounts of accrued interest calculated as aforesaid for all Relevant Periods.

6. **LOSS ABSORPTION FOLLOWING A TRIGGER EVENT**

6.1 **Notice Following a Trigger Event**

If at any time a Trigger Event occurs, the Issuer shall without delay notify the Relevant Authority and, in accordance with Condition 13 (*Notices*), the Holders (such notice, a "**Trigger Event Notice**" and the

date of delivery of such notice, the "**Trigger Event Notice Date**") and shall irrevocably and mandatorily (without any requirement for the consent or approval of the Holders) write down the Outstanding Principal Amount of each Note (in whole or, as applicable, in part), with effect as from the Write-Down Effective Date in accordance with Condition 6.2 (*Effect of Trigger Event*). The Trigger Event Notice shall be sufficient evidence of the occurrence of such Trigger Event and, together with the underlying calculations and any determination of the relevant Write-Down Amount, shall be conclusive and be binding on the Noteholders.

The Issuer shall specify in the Trigger Event Notice, *inter alia*, the Write-Down Amount and the Write-Down Effective Date. If the Write-Down Amount and/or the Write-Down Effective Date have/has not been determined at the time of the Trigger Event Notice, or if there is any change to the amount or, as the case may be, the date previously notified, the Issuer shall, as soon as reasonably practicable, give a further notice to the Relevant Authority and, in accordance with Condition 13 (*Notices*), to the Holders, to confirm the definitive Write-Down Amount and, if applicable, the definitive Write-Down Effective Date.

A Trigger Event may occur on more than one occasion and the Outstanding Principal Amount of each Note may be written down on more than one occasion, provided that the Outstanding Principal Amount of a Note may never be reduced to below the smallest unit of such Note (currently one cent), as determined by the Applicable Banking Regulations.

Failure to give the Trigger Event Notice, to notify Holders as provided in this Condition 6 or to give any other notices in connection with the Write-Down of the Notes shall not in any way impact on the effectiveness of, or otherwise invalidate or prejudice, the write down of these Notes as described below or give Holders any rights as a result of such failure.

6.2 **Effect of Trigger Event**

If at any time a Trigger Event occurs:

(a) each Note shall be written-down, with effect as from the Write-Down Effective Date, by writing down its Outstanding Principal Amount by an amount, being:

(i) the amount that - together with: (x) the write-down on a *pro rata* basis of the other Notes, and (y) the concurrent (or substantially concurrent) write-down or conversion into equity, on a *pro rata* basis based on their respective Outstanding Principal Amounts, of other Loss Absorbing Instruments that have fallen below the applicable trigger level of such instrument – would be sufficient to restore the CET1 Ratio of the Issuer and/or the Group to the Trigger Level; or

(ii) if the write-down (together with (x) the write-down on a *pro rata* basis of the other Notes, and (y) the concurrent (or substantially concurrent) write-down or conversion into equity, on a *pro rata* basis based on their respective Outstanding Principal Amounts, of other Loss Absorbing Instruments that have fallen below the applicable trigger level of such instrument) is insufficient to restore the CET1 Ratio of the Issuer and/or the Group to the Trigger Level, the amount necessary to reduce the Outstanding Principal Amount of such Note to the smallest unit of such Note (currently one cent), as determined by the Applicable Banking Regulations

(the "**Write-Down Amount**");

(b) the principal write-down of the Notes shall take place without delay and (unless the Relevant Authority determines otherwise) in any event not later than one month from the time it is determined that the Trigger Event has occurred (the "**Write-Down Effective Date**");

(c) following a Write-Down, Noteholders shall automatically and irrevocably lose their rights to receive, and shall no longer have any rights against the Issuer with respect to, repayment of the Write-Down Amount, or any other amount on or in respect of such Write-Down Amount (but without prejudice to their rights in respect of any principal amount reinstated pursuant to Condition 6.3 (*Principal Reinstatement*) below; and

(d) any accrued and unpaid interest on the Notes through to the Write-Down Effective Date (whether or not such interests have become due for payment) shall be automatically cancelled in accordance with Condition 5.2.1(iv), and shall not be due and payable; and

(e) following each Write-Down, interest will accrue on – subject to any subsequent Write-Down(s) or Principal Reinstatement(s) - the Outstanding Principal Amount of each Note as reduced by the Write-Down Amount from (and including) the relevant Write-Down Effective Date.

If, in connection with a Write-Down or the calculation of a Write-Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written-down or converted in full and not in part only ("**Full Loss Absorbing Instruments**") or any Loss Absorbing Instruments the terms of which provide that they shall be written-down or converted when the CET1 Ratio falls below a level that is higher than the Trigger Level ("**Prior Loss Absorbing Instruments**"), then:

(A) the requirement that a Write-Down of the Notes shall be effected *pro rata* with the write-down or conversion, as the case may be, of any such Full Loss Absorbing Instruments shall not be construed as requiring the Notes to be written-down in full (or in full save for the one cent floor) simply by virtue of the fact that such Full Loss Absorbing Instruments will be written-down or converted in full; and

(B) for the purposes of calculating the Write-Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write-down of principal or conversion into Ordinary Shares, as the case may be, among the Notes and such other Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write-down or conversion, such that the write-down or conversion of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing Instruments shall be written-down or converted pro rata with the Notes and all other Loss Absorbing Instruments (in each case subject to and as provided in the preceding paragraph) to the extent necessary to cure the relevant Trigger Event; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-down or converted, as the case may be, with the effect of increasing the Issuer's and/or the Group's, as the case may be, CET1 Ratio above the minimum required level under (a) above; and

(C) for the purposes of calculating the Write-Down Amount, the write-down or, as the case may be, conversion of any Prior Loss Absorbing Instrument shall be taken into account only to the extent required to restore the CET1 Ratio to the Trigger Level.

To the extent that the write-down or conversion of any Loss Absorbing Instrument is not effective for any reason, (i) such ineffectiveness shall not prejudice the requirement to effect a write-down of these Notes; and (ii) the write-down or conversion of any Loss Absorbing Instrument that is not effective shall not be taken into account in determining the Write-Down Amount of these Notes.

Any Write-Down of a Note shall not constitute an Event of Default or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever and shall not entitle the Noteholders to any compensation or to petition for the insolvency or dissolution of the Issuer or otherwise.

6.3 **Principal Reinstatement**

(a) For so long as each Note remains written down, provided that a positive Net Income or Consolidated Net Income has been recorded, its Outstanding Principal Amount may (at the discretion of the Issuer) be increased up to a maximum of its Original Principal Amount (a "**Principal Reinstatement**") on a *pro rata* basis with other Loss Absorbing Written-Down Instruments (based on their then prevailing Outstanding Principal Amount), in accordance with (and subject to the limits of) the provisions of this Condition 6.3 and the Applicable Banking Regulations (including, *inter alia*, Article 21 of the Delegated Regulation).

(b) Any Principal Reinstatement of these Notes and any principal reinstatement of other Loss Absorbing Written-Down Instruments, and the payment of interests or other distributions on these Notes and such other Loss Absorbing Written-Down Instruments (if any), shall be operated at the full discretion of the Issuer and there shall be no obligation for the Issuer to operate or accelerate any Principal Reinstatement under specific circumstances.

(c) Principal Reinstatements on these Notes may be made on one or more occasions until the Outstanding Principal Amount of the Notes has been reinstated to the Original Principal Amount.

(d) No Principal Reinstatement may take place if a Trigger Event has occurred and for so long it is continuing, or if such Principal Reinstatement (either alone or together with the *pro rata* principal reinstatements of other Loss Absorbing Written-Down Instruments) would cause a Trigger Event to occur.

(e) The Principal Reinstatement Amount shall be determined by the Issuer at its discretion subject to the following limits and any other limitations from time to time set forth in Applicable Banking Regulations:

(i) in circumstances where restrictions on distributions by reference to Maximum Distributable Amount applies, the proposed Principal Reinstatement of these Notes would - when aggregated with the payment of all other amounts that fall within the scope of the similar restrictions on distributions provisions contained in the CRD IV and/or the BRRD from time to time applicable to the Issuer and taking into account any principal reinstatements on other Loss Absorbing Written-Down Instruments - be limited to the extent necessary to ensure the Maximum Distributable Amount then applicable to the Issuer and/or the Group is not exceeded; or

(ii) the aggregate amount of (aa) the proposed Principal Reinstatement of these Notes, (bb) the *pro rata* concurrent (or substantially concurrent) principal reinstatement of other Loss Absorbing Written-Down Instruments, (cc) any previous Principal Reinstatements of these Notes and principal reinstatements of such other instruments made after the end of the then previous financial year out of the Net Income or, as the case may be, Consolidated Net Income, and (dd) payments of interest or other distributions in respect of these Notes and such other instruments paid, on the basis of an Outstanding Principal Amount that is lower than their Original Principal Amount, at any time after the end of the then previous financial year, shall not exceed the lower of:

(x) Net Income (aa) multiplied by the sum of the Original Principal Amount of the Notes and the aggregate Original Principal Amount of all Loss Absorbing Written-Down Instruments of the Issuer (on a solo basis) and (bb) divided by the Tier 1 capital of the Issuer (on a solo basis), as at the date of the Principal Reinstatement; and

(y) Consolidated Net Income (aa) multiplied by the sum of the Original Principal Amount of the Notes and the aggregate Original Principal Amount of all Loss Absorbing Written-Down Instruments of the Issuer (on a consolidated basis) and (bb) divided by the Tier 1 capital of the Issuer (on a consolidated basis), as at the date of the Principal Reinstatement

(the "**Maximum Reinstatement Amount**").

(f) If the Issuer exercises its discretion to effect a Principal Reinstatement in accordance with and subject to the limits of this Condition 6.3, it shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*) specifying the Principal Reinstatement Amount (which shall be conclusive and binding on the Noteholders) and the Principal Reinstatement Effective Date.

(g) On the Principal Reinstatement Effective Date and subject to the prior consent of the Relevant Authority (if required under then prevailing Applicable Banking Regulations), the Issuer may write-up the Outstanding Principal Amount of each Note by the Principal Reinstatement Amount on a pro rata basis with other Notes.

(h) Any decision by the Issuer to effect, or not to effect, a Principal Reinstatement on any occasion shall not prevent the Issuer from effecting, or not effecting, a Principal Reinstatement on any other occasion pursuant to this Condition 6.3.

7. PAYMENTS

7.1 Subject as provided below, payments on the Notes under these Conditions will be made by Monte Titoli crediting the Euro accounts of the relevant intermediaries, on behalf of the Noteholders, as evidenced in Monte Titoli's records.

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

7.3 For the avoidance of doubt, payments to Monte Titoli or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer of its liabilities under the Notes.

7.4 Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (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.

7.5 If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means (A) a day (other than a Saturday or a Sunday) on which (subject to Condition 10 (*Prescription*) Monte Titoli is open for business; and (B) a TARGET Settlement Day.

7.6 Interpretation of principal and interest

Any reference in these Conditions to "**principal**" in respect of the Notes shall be construed as referring to the Outstanding Principal Amount of the Notes.

Any reference in these Conditions to "**interest**" in respect of the Notes shall be deemed to include - subject to these Conditions - any Additional Amounts which may be payable with respect to interest under Condition 9 (*Taxation*).

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 No fixed redemption

The Notes have no fixed redemption date.

Unless previously redeemed or purchased and cancelled in accordance with these Conditions, the Notes will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) proceedings are instituted in respect of the Issuer (otherwise than for the purposes of an Approved Reorganization), in accordance

with, as the case may be, (i) a resolution passed at a shareholders' meeting of the Issuer, (ii) any provision of the By-laws of the Issuer (which, as at 23 May 2025 provide for the duration of the Issuer to expire on 23 December 2114, but if such expiry date is extended, maturity of the Notes will be correspondingly adjusted), or (iii) any applicable legal provision, or any decision of any judicial or administrative authority. Upon maturity, the Notes will become due and payable at an amount equal to their Outstanding Principal Amount together (if any and excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) with interest accrued to (but excluding) the date of redemption and any additional amounts due and payable pursuant to Condition 9 (*Taxation*).

The Notes may not be redeemed at the option of the Issuer except in accordance with the provisions of this Condition 8. The Notes may not be redeemed at the option of the Noteholders.

8.2 **Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole or, to the extent permitted under Applicable Banking Regulations, in part, at any time on giving not less than 15 nor more than 30 days' notice to the Paying Agent and, in accordance with Condition 13 (*Notices*), to the Noteholders (which notice shall – subject to these Conditions - be irrevocable), if:

(a) (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*), or (y) part of the interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, deductible for Italian corporate income tax purposes, in each case, as a result of any Tax Law Change; and

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

(a "**Tax Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall provide evidence, to be made available upon request to the relevant Noteholders, of the occurrence of a Tax Event by means of a certificate signed by two duly 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 such evidence shall be conclusive and binding on the Noteholders).

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Outstanding Principal Amount together (if any and excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) with interest accrued to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

Any redemption pursuant to this Condition 8.2 shall be subject to Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

8.3 **Redemption for regulatory reasons**

Upon the occurrence of a Regulatory Event, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 15 nor more than 30 days' notice to the Paying Agent and, in accordance with Condition 13 (*Notices*), to the Noteholders (which notice shall – subject to these Conditions - be irrevocable).

Upon the expiry of any such notice as referred to in this Condition 8.3, the Issuer shall redeem the Notes in accordance with this Condition 8.3, at their Outstanding Principal Amount together with accrued interest (if any and excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) thereon to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

Prior to the publication of any notice of redemption pursuant to this Condition 8.3, the Issuer shall provide evidence, to be made available upon request to the relevant Noteholders, of the occurrence of a Regulatory Event by means of a certificate signed by two duly 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 such evidence shall be conclusive and binding on the Noteholders).

Any redemption pursuant to this Condition 8.3 shall be subject to Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

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

The Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13 (*Notices*); and

(b) not less than 7 days (or such shorter period as may be agreed with the Paying Agent) before the giving of the notice referred to in (a) above, notice to the Paying Agent,

(which notices shall – subject to these Conditions - be irrevocable and shall specify the date fixed for redemption), redeem all of the Notes then outstanding on any Optional Redemption Date (Call) at their Outstanding Principal Amount together with interest (if any and excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) accrued to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*).

Any redemption pursuant to this Condition 8.4 shall be subject to Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

8.5 **Clean-Up Call**

The Notes may be redeemed at the option of the Issuer in whole or in part, at any time on giving not less than 15 nor more than 30 days' notice to the Paying Agent and to the Noteholders in accordance with Condition 13 (*Notices*), at their Outstanding Principal Amount together with accrued and unpaid interest (if any and to the extent not cancelled pursuant to Condition 5 (*Interest cancellation*)) to (but excluding) the date of redemption and additional amounts (if any) due and payable pursuant to Condition 9 (*Taxation*), if at least 75% of the initial aggregate principal amount of the Notes (which for the avoidance of doubt includes, any additional Notes issued subsequently and forming a single series with the first tranche of Notes) has been purchased by, or on behalf of the Issuer and cancelled.

Any redemption pursuant to this Condition 8.5 shall be subject to Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

8.6 **Purchases**

The Issuer or any of its Subsidiaries may purchase the Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, cancelled.

Any purchase pursuant to this Condition 8.5 shall be subject to Condition 8.8 (*Regulatory conditions for call, redemption, repayment or purchase*).

References in these Conditions to the purchase of Notes shall not include the purchase of Notes by the Issuer or any of its Subsidiaries in the ordinary course of business of dealing in securities, as nominee or as a bona fide investment.

8.7 **Cancellation**

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.6 (*Purchases*) cannot be reissued or resold.

8.8 **Regulatory conditions for call, redemption, repayment or purchase**

Any call, redemption, repayment or repurchase of the Notes pursuant to Condition 8.2 (*Redemption for tax reasons*), Condition 8.3 (*Redemption for regulatory reasons*), Condition 8.4 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 8.5 (*Clean-Up Call*) or Condition 8.6 (*Purchases*) is subject to compliance with the then Applicable Banking Regulations, including:

(a) the Issuer having obtained the prior permission of the Relevant Authority in accordance with Articles 77 and 78 of the CRR, where either:

(i) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(ii) the Issuer has demonstrated to the satisfaction of the Relevant Authority that its Own Funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements laid down in the applicable provisions of the Applicable Banking Regulations by a margin that the Relevant Authority considers necessary; and

(b) in respect of a redemption prior to the fifth anniversary of the Issue Date of the Notes, if and to the extent required under Article 78(4) of the CRR or the Capital Instruments Regulation:

(i) in the case of redemption pursuant to Condition 8.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Relevant Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 8.3 (*Redemption for regulatory reasons*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date; or

(iii) on or before the relevant call, redemption, repayment or repurchase, the Issuer replaces the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Relevant Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

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

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

The Relevant Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Notes, in the limit of a predetermined amount, which shall not exceed the lower of: (i) 10% (or any other threshold as may be requested or required by the Relevant Authority from time to time) of the amount of the principal amount of the Notes; and (ii) 3% (or any other threshold as may be requested or required by the Relevant Authority from time to time) of the total amount of Additional Tier 1 instruments of the Issuer from time to time outstanding, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (i) and (ii) of sub-paragraph (a) of the preceding paragraph.

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

8.9 **Trigger Event post redemption notice**

If the Issuer has elected to redeem the Notes in accordance with the aforementioned provisions of this Condition 8 but prior to the payment of the redemption amount with respect to such redemption, a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and conversion shall apply in accordance with Condition 7 (*Loss Absorption following a Trigger Event*).

8.10 **No redemption notice post Trigger Event**

The Issuer shall not give a redemption notice in accordance with the aforementioned provisions of this Condition 8 after a Trigger Event occurs and for so long as it has not been remedied.

8.11 **Partial redemption**

In the case of a partial redemption of the Notes pursuant to these Conditions, the Notes will be redeemed ("**Redeemed Notes**") on a *pro rata* basis in accordance with the rules of Monte Titoli (to be reflected in the records of Monte Titoli as a reduction in nominal amount). Noteholders that hold a Redeemed Note will be informed by the Issuer in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

9. **TAXATION**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will – to the extent that such payment can be made out of Distributable Items on the same basis as for payment of interests in accordance with Condition 5 (*Interest Cancellation*) and if permitted by Applicable Banking Regulations - pay such additional amounts ("**Additional Amounts**") on interest (but not on principal) as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the amounts of interest which would otherwise have been receivable in respect of the Notes, in the absence of such withholding or deduction; however, no such Additional Amounts shall be payable with respect to any Note:

(a) presented for payment in the Republic of Italy; or

(b) presented for payment by, or on behalf of, a holder or a beneficial owner of a Note who is liable for such taxes or duties in respect of such Note by reason of his having some connection with the Republic of Italy other than the mere holding of such Note; or

(c) to the extent that interest or any other amount payable is paid to a non-Italian resident entity or a non-Italian resident individual which is resident for tax purposes in a country which does not allow for a satisfactory exchange of information with the Republic of Italy (the states allowing for an adequate exchange of information with the Republic of Italy are currently listed in Ministerial Decree of 4 September 1996, as amended and supplemented from time to time); or

(d) for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended, or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21 November 1997 (as amended by Italian Legislative Decree No. 201 of 16 June 1998) (as any of the same may be amended or supplemented) or any related implementing regulations, in all circumstances in which requirements (whether substantial or formal) or procedures set forth in Italian Legislative Decree No. 239 of 1 April 1996 (as amended or supplemented from time to time) or in any related implementing regulations (including Ministerial Decree 12 December 2001) in order to benefit from a tax exemption have not been met or complied with, except where such requirements or procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or

(e) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.5 (*Payment Day*); or

(f) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction in respect of such Note by making, or procuring, a declaration of non-residence or other similar claim for exemption but has failed to do so;

(g) where it will be required to withhold or deduct any taxes imposed pursuant to an agreement described in Section1471 (b) of the U.S. Internal Revenue Code of 1986, as amended, or otherwise imposed pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulation or agreements thereunder, any official interpretation thereof or any law implementing an intergovernmental agreement thereto – "**FATCA Withholding**").

As used in these Conditions:

(a) "**Tax Jurisdiction**" means the Republic of Italy or in either case, any political subdivision or any authority thereof or therein having power to tax; and

(b) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received the 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 13 (*Notices*).

10. PRESCRIPTION

The Notes will become void unless presented for payment 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 9 (*Taxation*)) therefor.

11. EVENT OF DEFAULT AND ENFORCEMENT

The Notes are, and they shall immediately become, due and repayable at their Outstanding Principal Amount together with accrued and unpaid interest (if any and to the extent not cancelled pursuant to Condition 5 (*Interest cancellation*)) to (but excluding) the date of redemption, if the Issuer is subject to compulsory winding-up (*liquidazione coatta amministrativa*) pursuant to Articles 80 and following of the Italian Banking Act or voluntary winding-up (*liquidazione volontaria*) pursuant to Article 96-quinquies of the Italian Banking Act otherwise than for the purposes of an Approved Reorganisation (an "**Event of Default**"), provided that repayment of the Notes will only be effected after the Issuer has obtained the prior approval of the Relevant Authority (if so required), and provided further that no payments will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders as described in Condition 3 (*Status of the Notes*) have been paid by the Issuer, as ascertained by the liquidator.

No remedy (including any remedy under the Italian Civil Code) against the Issuer other than as specifically provided by this Condition shall be available to the holders of the Notes, whether for the recovery of amounts owing" in respect of the Notes or in respect of any breach by the Issuer of any of its obligations under the Notes or otherwise.

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 or of any resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer, is not an Event of Default.

12. PAYING AGENTS

The initial Paying Agent is the Issuer. The Issuer is entitled to appoint another person to act as Paying Agent, or vary or terminate the appointment of any paying agent under the terms of the relevant agency agreement in a customary form and/or appoint additional or other paying agents and/or approve any change in the specified office through which any paying agent acts, provided that there will at all times be a Paying Agent for the Notes.

Any variation, termination, appointment or change shall only take effect once notice thereof shall have been given to the Noteholders in accordance with Condition 13 (*Notices*).

Notification of any change in the Paying Agents or the Calculation Agent or their specified offices will be made in accordance with Condition 13 (*Notices*).

If the Issuer appoints another person(s) to act as Paying Agent(s), such Paying Agent(s), in acting under the relevant agency agreement, will be under no fiduciary duty and will act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The relevant agency agreement will contain provisions permitting any entity into which such Paying 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 paying agent.

13. NOTICES

Any notice regarding the Notes shall be deemed to have been duly given: (a) for so long as the Notes are held through Monte Titoli, if published through the systems of Monte Titoli; and (b) for so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, either on the Luxembourg Stock Exchange's website (*www.luxse.com*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. 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. 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.

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

14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

14.1 Meeting of the Noteholders, modification and waiver

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

The rights and powers of the Noteholders may only be exercised in accordance with the Provisions for Meetings of Noteholders. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Provisions for Meetings of Noteholders.

These Conditions may not be amended without the prior approval of the Relevant Authority (if applicable). The Issuer may, without the consent of the Noteholders, carry out any modification of the Notes and these Conditions which is: (a) in the opinion of the Issuer, not prejudicial to the interests of the Noteholders; or (b) of a formal, minor or technical nature or to correct a manifest error or to cure or correct any ambiguity or defective or inconsistent provision contained therein; or (c) to comply with mandatory provisions of the law.

In addition, no consent of the Noteholders shall be required in connection with the determination by the Issuer or, as the case may be, the Independent Adviser, of the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) or in connection with any Benchmark Amendment as described in Condition 4.4 (*Benchmark Event*) above, including any changes to these Conditions.

Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as reasonably practicable thereafter.

14.2 **Modification of the Notes for Regulatory Event, Tax Event or Alignment Event, or to ensure effectiveness and enforceability of Bail-In Power**

Where (i) a Regulatory Event, a Tax Event or an Alignment Event has occurred and is continuing, and/or (ii) in order to ensure the effectiveness and enforceability of the Bail-In Power in accordance with Condition 17 (*Contractual Recognition of Bail-In Power*) or in accordance with applicable law, the Issuer shall be entitled, having given not less than 30 nor more than 60 days' notice, in accordance with Condition 13 (*Notices*), to the Noteholders (which notice shall be irrevocable), at any time to modify the terms and conditions of the Notes, which modification, for the avoidance of doubt, shall be treated as being outside the scope of the Reserved Matters, provided that:

(a) such modification is reasonably necessary in the sole opinion of the Issuer to ensure, as applicable, that no Regulatory Event, Alignment Event or Tax Event would exist thereafter, or the effectiveness and enforceability of the Bail-In Power in accordance with Condition 17 (*Contractual Recognition of Bail- In Power*) or in accordance with applicable law is ensured;

(b) following such modification of the existing Notes (the "**Existing Notes**"):

(i) the terms and conditions of the Notes, as so modified (the "**Modified Notes**") are - other than in the case of a modification to ensure the effectiveness and enforceability of the Bail-In Power in accordance with Condition 17 (*Contractual Recognition of Bail-In Power*) or in accordance with applicable law - not materially less favourable to a holder of the Existing Notes (as reasonably determined by the Issuer) than the terms and conditions applicable to the Existing Notes prior to such modification;

(ii) the Modified Notes shall have a ranking at least equal to that of the Existing Notes and shall feature the same tenor, currency, principal amount, interest rates (including applicable margins), Interest Payment Dates and redemption rights as the Existing Notes;

(iii) the Modified Notes are assigned (or maintain) the same solicited credit ratings (if any) as were assigned to the Existing Notes immediately prior to such modification, provided that such change in rating, if any, shall only be relevant for the purposes of this Condition 14.2(b)(iii), if related specifically to the modification;

(iv) the Modified Notes shall comply with the then current requirements of Applicable Banking Regulations in relation to Additional Tier 1 Capital

(v) the Modified Notes preserve any existing rights under the Existing Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of such modification; and

(vi) the Modified Notes continue to be listed on a recognised stock exchange, if the Existing Notes were listed immediately prior to such modification;

(c) the modification does not itself give rise to any right of the Issuer to redeem the Existing Notes, without prejudice to the provisions under Condition 8.4 (*Redemption at the option of the Issuer (Issuer Call)*); and

(d) the Relevant Authority has approved such modification (if such approval is required under the Applicable Banking Regulations applicable at that time), or has received prior written notice thereof (if such notice is required under the Applicable Banking Regulations applicable at that time) and, following the expiry of all relevant statutory time limits, the Relevant Authority is no longer entitled to object or impose changes to the proposed modification. In connection with any modification made pursuant to this Condition 14.2, the Issuer shall comply with the rules of any stock exchange on which the Notes are then listed or admitted to trading and of any authority that is responsible for the supervision or regulation of such exchange.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to the Noteholders in accordance with Condition 13 (*Notices*).

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders 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 so that the same shall be consolidated and form a single series with the outstanding Notes.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing law

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

16.2 Submission to jurisdiction

The courts of Milan shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non contractual obligations arising out of or in connection with the Notes) and accordingly each of the Issuer and any Noteholders in relation to any dispute submits to the exclusive jurisdiction of the courts of Milan.

Each party hereby irrevocably waives any objection which it may have now or hereafter to laying of the venue of any proceedings in the courts of Milan and any claim that any such proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such proceedings brought in the courts of Milan with regard to the Notes shall be conclusive and binding upon each party and may be enforced in the courts of any other jurisdiction.

17. CONTRACTUAL RECOGNITION OF BAIL-IN POWER

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuer and any holder of the Notes and without prejudice to Article 55(1) of the BRRD, each Noteholder, by virtue of its acquisition of the Notes (whether on issuance or in the secondary market), agrees to be bound by and consent to:

(a) the effects of the exercise of the Bail-In Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto;

(ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions;

(iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and

(iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest become payable, including by suspending payment for a temporary period; and

(b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Bail-In Power by the Relevant Authority.

Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-In Power by the Relevant Authority.

Upon the Issuer becoming aware of the exercise of the Bail-In Power by the Relevant Authority with respect to the Notes, the Issuer shall provide a notice to the holders of the Notes in accordance with Condition 13 (*Notices*) as soon as reasonably practicable. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-In Power nor the effects on the Notes described in this Condition 17.

The exercise of the Bail-In Power by the Relevant 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 to the Outstanding Principal Amount of the Notes subject to any modification of the amount of interest payments to reflect the reduction of the Outstanding Principal Amount, and any further modification of the terms that the Relevant Authority may decide in accordance with applicable laws and regulations, including in particular the BRRD and the SRM Regulation.

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 the Bail-In Power.

ANNEX 1
PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. The following provisions (the "**Provisions**") will apply to the meetings of the holders of the Notes and will remain in full force and effect until full repayment or cancellation of the Notes to which the Provisions apply.

The Provisions are subject to any mandatory provisions of Italian law.

(a) As used in this schedule the following expressions shall have the following meanings unless the context otherwise requires:

(i) "**voting certificate**" shall mean a certificate issued by the relevant Monte Titoli Account Holder in accordance with applicable laws and regulations, in which it is stated:

(A) that on the date thereof, Notes will be blocked in an account with the relevant Monte Titoli Account Holder and will not be released until the first to occur of:

(1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and

(2) the surrender of the certificate to the relevant Monte Titoli Account Holder and the notification of the release thereof to the Issuer; and

(B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;

(ii) "**block voting instruction**" shall mean a document issued by a Noteholder through the relevant Monte Titoli Account Holder) and delivered to the Issuer in which:

(A) it is certified that Notes are blocked in an account with the relevant Monte Titoli Account Holder and that no such Notes will cease to be so blocked until the first to occur of:

(1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and

(2) the surrender to the Issuer not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the voting certificate;

(B) it is certified that each holder of such Notes or a duly authorised agent on his behalf has instructed that the vote(s) attributable to the Note or Notes so blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

(C) the aggregate principal amount of the Notes so blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(D) one or more persons named in such document (each hereinafter called a "proxy") is or are authorised and instructed by the Noteholder to cast the votes

attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such document;

(iii) "24 hours" shall mean a period of 24 hours including all or part of a day upon which banks are open for business in the place where the relevant meeting is to be held and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

(iv) "48 hours" shall mean a period of 48 hours including all or part of two days upon which banks are open for business in the place where the relevant meeting is to be held and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business as aforesaid.

(b) a holder of a Note may obtain a voting certificate in respect of such Note from a relevant Monte Titoli Account Holder or issue a block voting instruction (through the relevant Monte Titoli Account Holder) in respect of such Note, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates.

2. The Issuer may at any time - and shall upon a requisition in writing by the holders of not less than 10 per cent. in nominal amount of the Notes for the time being outstanding - convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the relevant Noteholders. Each meeting may be held also by linking various venues in different locations by audio/video conferencing facilities, subject to the following conditions:

- the Chairman is able to be certain as to the identity of those taking part, control how the meeting proceeds, and determine and announce the results of voting; and
- those taking part are able to participate in discussions and voting on the items on the agenda simultaneously, as well as to view, receive, and transmit documents.

The meeting held by audio/video conferencing will be deemed to have taken place at the venue at which the Chairman is present.

3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting (as well as, if necessary, venues connected by audio or video conferencing that may be used by those involved) shall be given to the holders of the relevant Notes prior to any meeting of such holders in the manner provided by Condition 11 (Notices). Such notice shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an extraordinary resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that Notes will, not less than 48 hours before the time fixed for the meeting, be blocked in an account with the relevant Monte Titoli Account Holder for the purpose of obtaining voting certificates or appointing proxies. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).

4. A person (who may but need not be a Noteholder) nominated by the Issuer shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting, the Noteholders present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.

5. At any such meeting two or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-tenth of the nominal amount of the Notes

for the time being outstanding shall (except for the purpose of passing an extraordinary resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business.

6. The quorum at any such meeting for passing an extraordinary resolution shall (subject as provided below) be two or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate a clear majority in nominal amount of the Notes for the time being outstanding provided that at any meeting the business of which includes any of the following matters (each, a "reserved matter") (each of which shall, subject only to Condition 12 (Meeting of Noteholders, modification and waiver), only be capable of being effected after having been approved by extraordinary resolution) namely:

   (a) reduction or cancellation of the amount payable or, where applicable, modification (except where such modification is in the opinion of the Issuer bound to result in an increase in the amount of principal or interest in respect of the Notes) of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes, provided however, for the avoidance of doubt, that a benchmark amendment (as defined in the conditions) shall not constitute a reserved matter;

   (b) alteration of the currency in which payments under the Notes are to be made;

   (c) alteration of the majority required to pass an extraordinary resolution;

   (d) the sanctioning of any such scheme or proposal as is described below; and

   (e) alteration of this proviso or the proviso to paragraph 7 below;

   the quorum shall be two or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds of the nominal amount of the Notes for the time being outstanding.

   If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such day and such time and place as indicated in the original notice to Noteholders of the initial meeting, or if not so indicated, it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days from the date of the initial meeting, and to such place as may be appointed by the chairman either at or subsequent to such meeting and approved by the Issuer and indicated in the notice convening the adjourned meeting.

   If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the chairman may either (with the approval of the Issuer) dissolve such meeting or shall adjourn the same to such day and such time and place as indicated in the original notice to Noteholders of the initial meeting, or if not so indicated, it shall stand adjourned for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the chairman either at or subsequent to such adjourned meeting and approved by the Issuer and indicated in the notice convening the adjourned meeting, and the provisions of this sentence shall apply to all further adjourned such meetings.

7. At any adjourned meeting, two or more persons present holding Notes or voting certificates or being proxies (whatever the nominal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any extraordinary resolution other than one on a reserved matter or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present provided that at any adjourned meeting the quorum for the transaction of business comprising

any reserved matter shall be two or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-third of the nominal amount of the Notes for the time being outstanding.

8. Notice of any adjourned meeting at which an extraordinary resolution is to be submitted shall be given in the same manner as notice of an original meeting but with at least 10 days' notice and pursuant to paragraph 3 above for the rest, and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

9. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.

10. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the issuer or any person present holding a Note of the relevant series or a voting certificate or being a proxy (whatever the nominal amount of the Notes so held or represented by him) a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11. Subject to paragraph 13 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

12. The chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

13. Any poll demanded at any such meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

14. Any director, officer or employee of the Issuer and its lawyers and any other person authorised so to do by the Issuer may attend and speak at any meeting. Save as aforesaid, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Noteholders by Condition 11 (*Event of Default and Enforcement*) and Condition 14 (*Meetings of Noteholders, Modification and Waiver*) unless he either produces the Note of which he is the holder or a voting certificate or is a proxy. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the Issuer, any subsidiary or holding company of the Issuer or any subsidiary of any such holding company. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy from being a director, officer or representative of or otherwise connected with the Issuer.

15. Subject as provided in paragraph 14 hereof at any meeting:

    (a) on a show of hands every person who is present in person and produces a Note or voting certificate or is a proxy shall have one vote; and

    (b) on a poll every person who is so present shall have one vote in respect of each euro 1 or such other amount as the issuer may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Issuer in its absolute discretion may stipulate) in nominal amount of the Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

16. The proxies named in any block voting instruction or form of proxy need not be Noteholders.

17. Each block voting instruction shall be deposited by the relevant Noteholder at such place as the Issuer shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction shall (if so requested by, and at the expense of, the Issuer) be deposited with the Issuer before the commencement of the meeting or adjourned meeting and satisfactory proof of the identity of each proxy named in the block voting instruction shall be produced at the meeting or adjourned meeting, but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction.

18. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction of any of the relevant noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received by the Issuer at its registered office (or such other place as may have been required or approved by the Issuer for the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.

19. A meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by extraordinary resolution (subject to the provisions relating to quorum contained in paragraphs 6 and 7 above) namely:

    (a) power to sanction any compromise or arrangement proposed to be made between the Issuer, any appointee and the Noteholders or any of them.

    (b) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of any appointee and the Noteholders, against the Issuer or against any other or others of them or against any of their property whether such rights shall arise under these presents or otherwise.

    (c) power to assent to any modification of these Provisions which shall be proposed by the Issuer or any Noteholder.

    (d) power to give any authority or sanction which under these Provisions is required to be given by extraordinary resolution.

    (e) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by extraordinary resolution.

    (f) power to approve of a person to be appointed an agent and power to remove any agent or agents for the time being.

    (g) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash.

20. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these Provisions shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 11 (*Notices*) by the issuer within 14 days of such result being known provided that the non-publication of such notice shall not invalidate such result.

21. the expression "extraordinary resolution" when used in these Provisions means (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of all the Noteholders, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.

22. Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.

23. The issuer may, without the consent of the Noteholders, modify the Notes, provided that such modification is: (a) in the opinion of the Issuer, not prejudicial to the interests of the Noteholders; or (b) of a formal, minor or technical nature or to correct a manifest error.

24. If the Issuer shall have issued and have outstanding Notes which are not denominated in Euro in the case of any meeting of holders of Notes of more than one currency, the principal amount of such notes shall (i) for the purposes of paragraph 2 above be the equivalent in Euro at the spot rate of a bank nominated by the Issuer for the conversion of the relevant currency or currencies into Euro on the seventh dealing day prior to the day on which the requisition in writing is received by the Issuer and (ii) for the purposes of paragraphs 6, 7 and 15 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each euro 1 in nominal amount of the Notes (converted as above) which he holds or represents.

ANNEX 2
FURTHER INFORMATION IN RESPECT OF THE ISSUER

Further information relating to the Issuer is set out below, pursuant to Article 2414 of the Italian Civil Code.

Objects:	The corporate purpose of Banco BPM S.p.A. (the "**Company**") is to collect savings and provide loans in various forms, both directly and through subsidiaries. In compliance with applicable regulations and after obtaining the necessary authorizations, the Company may carry out, directly or through controlled companies, all banking, financial and insurance transactions and services, including the setting up and management of open or closed-end pension schemes, and the other activities that may be performed by lending institutions, including issuance of bonds, the exercise of financing activity regulated by special laws and the sale and purchase of company receivables. The Company may carry out any other transaction that is instrumental to or in any way related to the achievement of its corporate purpose. To pursue its objectives, the Company may adhere to associations and consortia of the banking system, both in Italy and abroad. The Company, in its capacity as Parent Company of the Banking Group Banco BPM, pursuant to the laws from time to time in force, including Article 61, Paragraph 4, of Legislative Decree 385 of 1 September 1993 (the "**Italian Banking Act**"), in exercising the activity of direction and coordination, issues guidelines to Group members, also for the purpose of executing instructions issued by the Regulatory Authorities and in the interest of the stability of the Group. The determination of the criteria for the coordination and direction of the Group companies, as well as for the implementation of the instructions issued by the regulatory authorities, is reserved to the exclusive competence of the Board of Directions of the Parent Company.
Registered office:	Piazza Filippo Meda 4, 20121 Milan, Italy.
Company registration:	Tax Code and Milan Companies' Register enrolment no. 09722490969
Amount of paid-up share capital:	Paid-up share capital: Euro 7,100,000,000.00, consisting of 1,515,182,126 ordinary shares with no nominal value.
Amount of reserves:	Euro 5,583,550,000.00, as at 31 December 2024.
Board resolution approving the issuance of the Notes:	Resolution approved by a meeting of the Board of Directors dated 7 May 2025.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes and to maintain the regulatory capital structure of the Group.

DESCRIPTION OF THE ISSUER

Please refer to the information on the Issuer and Banco BPM Group in the documents incorporated herein by reference as set out in the section headed "*Documents incorporated by reference*".

SELECTED CONSOLIDATED FINANCIAL DATA

The information set out in this section in relation to the Group has been derived from, and should be read in conjunction with, and is qualified by reference to:

(a) the 2023 Annual Financial Statements;

(b) the 2024 Annual Financial Statements;

(c) the 12 February 2025 Press Release; and

(d) the 7 May 2025 Press Release,

that are incorporated by reference into this Prospectus.

Group financial highlights

The following tables set forth certain financial highlights of the Group derived from the (reclassified) income statements and balance sheets of the Group as at and for the periods then ended. The statistical information presented in the following tables have been extracted from the Group report on operations included in the Issuer's consolidated 2024 Annual Financial Statements; such information has not been audited.

(in millions of Euro)	31 December 2024	31 December 2023 Restated (*)
Reclassified income statement figures		
Financial margin	3,591.7	3,433.3
Net fee and commission income	2,003.8	1,919.6
Operating income	5,703.5	5,341.4
Operating expenses	(2,655.7)	(2,571.2)
Profit (loss) from operations	3,047.8	2,770.3
Profit (loss) before tax from continuing operations	2,503.4	2,041.0
Profit (loss) after tax from continuing operations	1,713.8	1,436.3
Parent Company's profit (loss) for the year	1,920.4	1,264.5

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(*) The figures relating to the year ended 31 December 2023 have been restated to provide a like-for-like comparison. For additional information, see the section entitled "Results – Introduction" of the 2024 Annual Financial Statements.

(in millions of Euro)	31 December 2024	31 December 2023 Restated (*)
Balance sheet figures		
Total assets	198,209.1	202,098.8
Loans to customers (net)	99,727.3	104,012.7
Financial assets and hedging derivatives	51,301.1	45,120.5
Group shareholders' equity	14,603.9	14,038.1
Customers' financial assets		
Direct bank funding	126,149.1	120,770.1
Direct funding with protected capital certificates	*132,044.1*	*126,044.0*
Indirect funding	120,372.3	110,772.7
Indirect funding without protected capital certificates	*116,169.4*	*106,166.1*
- Asset management	66,113.2	62,003.1
- Mutual funds and SICAVs	44,725.2	41,927.2
- Securities and fund management	4,852.8	4,369.3
- Insurance policies	16,535.2	15,706.6
- Administered assets	54,259.1	48,769.6
- *Administered assets without protected capital certificates*	*50,056.1*	*44,163.0*
Information on the organisation		
Average number of employees and other staff (**)	18,694	19,011
Number of bank branches	1,434	1,436

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(*) The figures relating to the year ended 31 December 2023 have been restated to provide a like-for-like comparison. For additional information, see the section entitled "Results – Introduction" of the 2024 Annual Financial Statements.

(**) *Arithmetic average calculated on a monthly basis in terms of full-time equivalent resources. Does not include the Directors and Statutory Auditors of Group Companies*

Financial and economic ratios and other Group figures

The following tables set forth certain financial and economic ratios and other figures of the Group derived from the (reclassified) income statements and balance sheets of the Group as at and for the periods then ended.

See further the paragraph "Capital Requirements for the Group" below.

	31 December 2024	31 December 2023 Restated (*)
Alternative performance measures		
Profitability ratios (expressed in percentages)		
Return on equity (ROE)	16.45%	11.18%
Return on tangible equity (ROTE)	18.23%	12.43%
Return on assets (ROA)	0.97%	0.63%
Financial margin / Operating income	62.97%	64.28%
Net fee and commission income / Operating income	35.13%	35.94%
Operating expenses / Operating income (cost/income ratio)	46.56%	48.14%
Operational productivity figures (expressed in thousands of euro)		
Loans to customers (net) per employee ([1])	5,334.7	5,471.1
Operating income per employee ([1])	305.1	281.0
Operating expenses per employee ([1])	142.1	135.2
Credit risk ratios (expressed in percentages)		
Net bad loans/Loans to customers (net)	0.49%	0.60%
Net unlikely to pay/Loans to customers (net)	0.98%	1.12%
Net bad loans/Shareholders' equity	3.37%	4.46%
Texas Ratio	11.74%	14.43%
Other ratios		
Financial assets and hedging derivatives / Total assets	25.88%	22.33%
Total derivatives/Total assets	1.42%	1.42%
- trading derivatives/total assets	0.90%	0.94%
- hedging derivatives/total assets	0.52%	0.48%
Net trading derivatives /Total assets	0.16%	0.06%
Loan to deposit ratio (net loans/direct funding)	75.53%	82.52%
Regulatory capitalisation and liquidity ratios		
Common equity Tier 1 ratio (CET1 capital ratio) ([2])	15.05%	14.16%
Tier 1 capital ratio ([2])	17.30%	16.33%
Total capital ratio ([2])	20.33%	19.00%
Liquidity Coverage Ratio (LCR)	132%	187%
Leverage ratio	5.21%	5.22%
Banco BPM stock		
Number of outstanding shares	1,515,182,126	1,515,182,126
Official closing prices of the stock		
- Final	7.812	4.781
- Maximum	7.960	5.324
- Minimum	4.732	3.403
- Average	6.109	4.259
Basic EPS	1.273	0.836
Diluted EPS	1.273	0.836

(*) *The figures relating to the year ended 31 December 2023 have been restated to provide a like-for-like comparison. For additional information, see the section entitled "Results – Introduction" of the 2024 Annual Financial Statements.*

([1]) *Arithmetic average calculated on a monthly basis in terms of full-time equivalent resources, as shown in the previous table. Does not include the Directors and Statutory Auditors of Group Companies.*

([2]) *The capital ratios as at 31 December 2024 were calculated by including the net result for the year 2024 net of the proposed dividends and other allocations of profit.*

Alternative Performance Measures

In order to better evaluate the Issuer's financial management performance based on the consolidated financial statements of Banco BPM for the years ended 31 December 2024 and 2023, the 12 February 2025 Press Release and the 7 May 2025 Press Release, the management has identified several Alternative Performance Measures ("**APMs**"). Management believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the Issuer, because they facilitate the identification of significant operating trends and financial parameters. For additional information on APMs included in this Prospectus and the documents incorporated by reference, see the section entitled "*Results – Methodological Note*" of the 2024 Annual Financial Statements, "*Explanatory Notes – 1. Accounting policies and reference accounting standards – Alternative Performance Measures*" of the 12 February 2025 Press Release and "*Explanatory Notes – 1. Accounting policies and reference accounting standards – Alternative Performance Measures*" of the 7 May 2025 Press Release, which are incorporated by reference in this Prospectus.

Credit quality

The table below sets forth certain information relating to loans to customers included in the Group's portfolio of financial assets at amortised costs.

(in millions of Euro) (*)	31 December 2024		31 December 2023 Restated (**)	
	Net exposure	% impact	Net exposure	% impact
Bad loans	491.4	0.5%	626.2	0.6%
Unlikely to pay	978.9	1.0%	1,168.3	1.1%
Non-performing past-due exposures	110.1	0.1%	67.1	0.1%
Non-performing exposures	**1,580.5**	**1.6%**	**1,861.7**	**1.8%**
Performing exposures	**98,146.8**	**98.4%**	**102,151.0**	**98.2%**
Total loans to customers	**99,727.3**	**100.0%**	**104,012.7**	**100.0%**

(*) The chart sets forth credit quality information in respect of the assets of the Group accounted at amortised cost only.

(**) The figures relating to the year ended 31 December 2023 have been restated to provide a like-for-like comparison. For additional information, see the section entitled "Results – Introduction" of the 2024 Annual Financial Statements.

Capital Requirements for the Group

On 11 December 2024, Banco BPM announced that it had received from the ECB the notification of the prudential decision on the minimum capital ratios to be complied with by Banco BPM on an ongoing basis, based on the outcome of the annual Supervisory Review and Evaluation Process ("**SREP**"), bringing the Pillar 2 capital requirement (P2R) to 2.25%, an improvement compared to that of the previous year (2.52%).

Such P2R requirement shall be met by CET 1 capital for 1.27% (56.25% for the requirement of 2.25%), with Additional Tier 1 capital for 0.42% and with Tier 2 capital for 0.56%.

Taking the above into account, the requirements set out for other systemically important institutions (equal to 0.50% for 2025), the capital conservation buffer (equal to 2.50%), the countercyclical capital buffer established by the competent national authorities for exposures to countries in which the Group operates (equal to 0.04%) and the introduction, from 31 December 2024, at phase-in level, of a Systemic Risk Buffer (equal to 0.37%), the Banco BPM Group was required to comply with the following capital ratios at consolidated level for 2025:

- CET1 ratio: 9.17%;
- Tier 1 ratio: 11.10%;
- Total Capital ratio: 13.67%.

The Banco BPM Group satisfied these prudential capital ratios on a stated basis as at 31 December 2024, with a CET1 ratio of 15.05%, a Tier 1 ratio of 17.30% and a Total Capital ratio of 20.33%.

Buffers

The following table illustrates - with reference to Banco BPM's capital ratios as at 31 December 2023 and 2024, and 31 March 2025, - the buffer to the CET1 requirement and the Total Capital requirement, buffer to Trigger Event under the Notes as well as the buffer to trigger of restrictions by reference to Maximum Distributable Amount pursuant to Article 141 of the CRD IV Directive.

	31 March	31 December	
	2025[2]	2024	2023
Buffer to CET1 Requirement			
- Group CET1 ratio vs CET1 requirement (phased-in)[1]	6.76%	-	-
- Group CET1 ratio vs CET1 requirement (fully loaded)	5.59%	5.61%	5.42%
Buffer to Total Capital Requirement			
- Group Total Capital ratio vs Total Capital requirement (phased-in) [1]	7.29%	-	-
- Group Total Capital ratio vs Total Capital requirement (fully loaded)	6.13%	6.40%	5.64%
Buffer to Trigger Event			
- Group CET1 ratio (phased-in) vs 5.125% trigger[1]	10.81%	-	-
- Group CET1 ratio (fully loaded) vs 5.125% trigger	9.64%	9.92%	9.03%
- Solo CET1 ratio vs 5.125% trigger	10.98%	10.46%	9.67%
Buffer to MDA Trigger on a CET1 only basis, calculated assuming Additional Tier 1 and Tier 2 buckets fully filled			
- Group CET1 ratio vs CET1 requirement (phased-in)[1]	6.76%	-	-
- Group CET1 ratio vs CET1 requirement (fully loaded)	5.59%	5.61%	5.42%
- Solo CET1 ratio vs CET1 requirement	8.74%	8.17%	7.75%

(1) As of the reporting date of 31 March 2025, Banco BPM has exercised the option provided by Article 468 of the CRR, which allows unrealised losses and gains arising from the measurement at fair value through other comprehensive income (OCI) of debt securities issued by public administrations classified under financial assets measured at fair value with an impact on comprehensive income to be sterilised when calculating primary tier 1 capital (CET 1). This option is granted by the regulations for a transitional period until 31 December 2025.

(2) Capital ratios as at 31 March 2025 were determined based on the calculation of risk weighted assets in compliance with the new rules under Regulation EU 2024/1623 (Basel 3+). As at the date of this Prospectus, the Bank has not yet submitted the quarterly reporting relating to the reference date 31 March 2025 according to Art. 24 of Commission Implementing Regulation (EU) 2024/3117.

Buffers are calculated taking into consideration the capital requirements from time to time applicable as specified in the relevant SREP notice.

Rating

The international agencies Moody's Investors Service through Moody's France SAS ("**Moody's**"), Fitch Ratings through Fitch Ratings Ireland Limited Sede Secondaria Italiana ("**Fitch**"), S&P Global Ratings Europe Limited, Italy Branch ("**S&P**") and DBRS Ratings GmbH ("**Mornigstar DBRS**") have assigned ratings to the Issuer. Moody's, Fitch, S&P and Morningstar DBRS are regulated under the Regulation No. 1060/2009/EC of the European Parliament and the Council dated 16 September 2009 on credit rating agencies.

As at the date of this Prospectus, the following ratings have been assigned by Moody's to the Issuer: (i) Long and Short Term Deposit Ratings of Baa1/P-2, where the Long Term Deposit Ratings has a Stable Outlook; and (ii) Long-Term Issuer Rating and Long-Term Senior Unsecured Rating of Baa2, on Watch for Possible Upgrade.

As at the date of this Prospectus, the following ratings have been assigned by Fitch to the Issuer: (i) Long and Short Term Issuer Default Rating of BBB-/F3, both under Rating Watch Positive; (ii) Viability Rating of bbb-; (iii) Senior preferred (SP) debt BBB under Rating Watch Positive; and (iv) Long and Short Term Deposit Ratings of BBB/F3, both under Rating Watch Positive.

As at the date of this Prospectus, the following ratings have been assigned by S&P to the Issuer: Long and Short Term Issuer Credit Rating of BBB/A-2, where the Long Term Issuer Credit Rating has a Positive Outlook.

As at the date of this Prospectus, the following ratings were assigned to the Issuer by Morningstar DBRS: (i) Long-Term Deposit Rating of BBB (high), with Positive outlook; (ii) Short-Term Deposit Rating of R-1 (low), with Stable outlook; (iii) Long-Term Issuer Rating and Long-Term Senior Debt Rating of BBB (high), with Stable outlook; and (iv) Short-Term Issuer Rating and Short-Term Debt Rating of R-1 (low), with Stable outlook.

TAXATION

ITALIAN TAXATION

The following is a general summary of certain Italian tax consequences of the purchase, the ownership and the disposition of the Notes. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. This summary is based upon Italian tax laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.

Where in this overview, English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree No. 239**") sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian banks. The provisions of Decree No. 239 only apply to those notes which qualify as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented from time to time ("**Decree No. 917**").

For these purposes, bonds and debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value (with or without interest payments) and that do not give any right to directly or indirectly participate in the management of the issuer or to the business in relation to which the securities are issued nor any type of control on the management.

The tax regime set out under Decree No. 239 also applies to Interest paid under financial instruments relevant for capital adequacy purposes *(strumenti finanziari rilevanti in materia di adeguatezza patrimoniale)* under EU legislation and domestic prudential legislation, issued by, *inter alia*, Italian banks (other than shares and securities similar to shares), as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011("**Decree No. 138**") as converted with amendments by Law No. 148 of 14 September 2011 and as further amended from time to time.

Italian Resident Noteholders

Pursuant to Decree No. 239 and Decree No. 138, where an Italian resident Noteholder is the beneficial owner of the Notes and is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended and supplemented from time to time ("**Decree No. 461**"); or

(b) a partnership (other than a *società in nome collettivo* or a *società in accomandita semplice* or similar partnership, a *de facto* partnership) not carrying out commercial activities or a professional association; or

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

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

Interest payments relating to the Notes are subject to a substitute tax ("***imposta sostitutiva***"), levied at the rate of 26 per cent. (either when Interest is paid or obtained by the Noteholder upon disposal of the Notes unless the Noteholder described under (i), (ii) and (iii) above has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted (being entitled) for the so-called *risparmio gestito* regime (the "**Asset Management Regime**"). All the above categories are qualified as "net recipients".

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

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals holding the Notes not in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in an individual long-term 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, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**") resident in Italy, or by permanent establishments in Italy of a non-Italian resident Intermediary, or by entities or companies not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Italian Revenue Agency having appointed an Italian representative for the purposes of Decree No. 239, that 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 timely deposited.

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

Payments of Interest in respect of Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to Noteholders who are: (a) Italian resident corporations or similar commercial entities (such as partnerships carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*)) or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; (b) Italian resident open-ended or closed-ended collective investment funds (together the "**Funds**" and each a "**Fund**"), SICAVs, non-real estate SICAFs; (c) Italian resident pension funds subject to the tax regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 (**"Decree No. 252"**), Italian resident real estate investment funds and real estate SICAFs subject to the regime provided for by Law Decree No. 351 of 25 September 2001; and (d) Noteholders holding the Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Asset Management Regime. Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, Noteholders indicated above under (a) to (d) must be the beneficial owners of payments of Interest on the Notes and timely deposit the Notes directly or indirectly with an Italian Intermediary (or a permanent establishment in Italy of a foreign Intermediary).

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

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's annual 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 in the net value of production for purposes of regional tax on productive activities – "**IRAP**", as well as to other surtaxes, where applicable). Interest on the Notes that are not deposited with an authorised intermediary, received by the above persons is subject to a 26 per cent. substitute tax levied as provisional tax. If the Noteholder is a commercial partnership, Interest is instead attributed and subject to taxation in the hands of the partners according to the tax transparency principle.

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

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

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

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

Non-Italian resident Noteholders

According to Decree No. 239, payments of Interest in respect of the Notes will not be subject to *imposta sostitutiva* at the rate of 26 per cent. provided that:

(a) the payments are made to non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected; and

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

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

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, whether or not subject to tax, which are established in a State or territory included in the White List and provided that they timely file with the relevant depositary the appropriate self-declaration; and (iii) central banks or entities managing, *inter alia*, official reserves of a foreign State.

In order to ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

(a) be the beneficial owners of the payments of Interest on the Notes;

(b) timely deposit the Notes directly or indirectly with (i) an Italian bank or "*societá di intermediazione mobiliare*" (so-called SIMs) or with (ii) a permanent establishment in Italy of a non-resident bank or SIM which is in contact via computer with the Italian Ministry of Economy and Finance; and

(c) timely file with the relevant depository a statement (*autocertificazione*) in due time stating, inter alia, that he or she is resident, for tax purposes, in one of the above mentioned States or territories included in the White List. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), shall be valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities or organizations established in accordance with international agreements ratified in Italy, and central banks or entities which manage, *inter alia*, the official reserves of a foreign State. Specific requirements and documentary filing obligations are provided for institutional investors (see Circular No. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

Failure of a non-Italian resident Noteholder to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* at the rate of 26 per cent., or at the reduced rate provided for by any applicable double tax treaty, if any, on Interest payments to a non-Italian resident Noteholder.

Capital gains tax

Italian resident Noteholders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by beneficial owners who are (i) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, (ii) Italian resident partnerships not carrying out commercial activities, or (iii) Italian private or public institutions not carrying out mainly or exclusively commercial activities, on any sale or transfer for consideration of the Notes or redemption thereof.

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

As an alternative to the tax declaration regime, Italian resident Noteholders (i) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, (ii) Italian resident partnerships not carrying out commercial activities, or (iii) Italian private or public institutions not carrying out mainly or exclusively commercial activities, may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being timely deposited with any authorised intermediary and (ii) an express election for the Administrative Savings Regime being timely made in writing by the relevant Noteholder. The authorised intermediary is

responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any incurred capital loss of the same kind, 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. Where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised on assets held by the Noteholder within the same securities management relationship in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Noteholder is not required to declare the realised capital gains in the annual tax return and the Noteholder remains anonymous.

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

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

In the case of Notes held by Funds, SICAVs or non-real estate SICAFs, capital gains on Notes will not be subject to 26 per cent. *imposta sostitutiva* but will contribute to determine the increase in value of the managed assets of the Funds, SICAVs or non-real estate SICAFs, accrued at the end of each tax year. The Fund, SICAV or non-real estate SICAF will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by a Noteholder who is an Italian resident pension fund (subject to the regime provided by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of each tax period and will be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains in respect of the Notes realized upon sale, transfer or redemption by Italian resident pension fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in an individual long-term 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 a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. Distributions made in favour of unitholders or shareholders, as well as redemptions or disposals of the units, may be, in certain circumstances, subject to tax in the hands of the unitholder. Depending on the status and percentage of participation, income of the real estate investment fund or of the Italian real estate SICAF may be subject to taxation in the hands of the unitholder or the shareholder regardless of distribution.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected or by a commercial partnership or by an Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected will be included in in their corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for IRAP purposes), subject to tax in Italy in accordance with ordinary tax rules.

Non-Italian Resident Noteholders

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23, first paragraph, letter f), of Decree No. 917, any capital gains realised by non-Italian resident persons, without a permanent establishment in Italy to which the Notes are effectively connected, through the sale for consideration or redemption of the Notes are not subject to taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad and, in certain cases, subject to timely filing of required documentation (i.e. a self-declaration stating that the person 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, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

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

(a) pursuant to the provisions of Decree No. 461 and Decree No. 239, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* on any capital gains realised upon sale for consideration or redemption of the Notes provided that (i) they are resident, for tax purposes, in a State or territory included in the White List, (ii) are the beneficial owners of such capital gains and (iii) all the requirements and procedures set forth by Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

    Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected are subject to the Administrative Savings Regime or elect for the Asset Management Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating that they meet the requirements indicated above. The same exemption applies where the beneficial owners of the Notes are (a) international bodies and organisations established in accordance with international agreements ratified in Italy; (b) certain foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries which allow an adequate exchange of information with Italy for tax purposes included in the White List as amended from time to time; and (c) Central Banks or other entities, managing also official State reserves.

    If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are connected from the sale or redemption of Notes issued by an Italian resident issuer and not traded on regulated markets, are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

(b) in any event, non-Italian resident individuals or non-Italian resident entities without a permanent establishment in Italy to which the Notes are effectively connected that are eligible to benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

    Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected are subject to the Administrative Savings Regime or elect for the Asset Management Regime, exemption from Italian capital gains tax will apply upon condition that the non-Italian residents promptly file with the authorised financial intermediary a declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 ("**Decree No. 262**"), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including bonds or other securities) as a result of death, gift

or transfer without consideration are subject to "**Inheritance and Gift Tax**" (*imposta sulle successioni e donazioni*) under the Legislative Decree No. 346 of 31 October 1990, as amended, as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to Inheritance and Gift Tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000 for each beneficiary;

(b) transfers in favour of brothers/sisters are subject to the 6 per cent. Inheritance and Gift Tax on the value of the inheritance or the gift exceeding Euro 100,000 for each beneficiary;

(c) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an Inheritance and Gift Tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift; and

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

In cases where the beneficiary has a serious disability, inheritance and gift taxes will apply on its portion of the net asset value exceeding Euro 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 an individual long-term 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.

Transfer Tax

Agreements related to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration tax of Euro 200; (ii) private deeds are subject to registration tax of Euro 200 only in some cases set forth by the registration tax law (Presidential Decree 26 April 1986, No. 131, as amended), i.e. a) in case of use, b) where cross-references occur (*enunciazione*) or c) in case of voluntary registration.

Stamp Duty

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

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

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012, as amended and supplemented from time to time) of an entity that exercises a banking, financial or insurance activity in any form within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, as amended and supplemented, Italian resident individuals, non-commercial entities, and certain partnerships and similar institutions, holding financial assets, including the Notes, outside of the Italian territory are required to declare in its own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent. Starting from January 1, 2024, wealth tax applies at a rate of 0.4 per cent. in case of financial assets held in States or territories with privileged tax regime identified by the Ministerial Decree of the Ministry of Economy and Finance of May 4, 1999, pursuant to the provisions of Law

No. 213/2023. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from the Notes have been subject to tax by the same intermediaries. Starting from fiscal year 2020, the wealth tax cannot exceed €14,000 for taxpayers which are not individuals.

Tax Monitoring Obligations

Pursuant to Italian Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990 ("**Decree 167/1990**"), as subsequently amended, Italian resident individuals, non-commercial entities, and certain partnerships and similar institutions who, during a fiscal year, hold investments abroad or have foreign financial assets or are the actual owners, under the Italian anti-money laundering law, provided by Italian Legislative Decree No. 231 of 21 November 2007, of investments abroad or foreign financial assets (including Notes held abroad) must, in certain circumstances, disclose the aforesaid investments and financial assets to the Italian Tax Authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return).

The requirement applies also where the persons above, being not the direct holders of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation (which is applied for tax monitoring obligations purposes with certain adjustments).

It is not necessary to comply with the above reporting requirement in cases where (i) the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree 167/1990, (ii) one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets has been subject to the applicable withholding tax or substitute tax, or (iii) if the foreign investments are only composed of deposits and/or bank accounts and their aggregate value does not exceed a Euro 15,000 threshold throughout the year.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Proposed FTT has very broad scope and could, if introduced in the form proposed on 14 February 2013, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

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 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.

The FTT proposal remains subject to negotiation between the participating Member States. Additional EU Member States may decide to participate, although certain other Member States have expressed strong objections to the proposal. The FTT proposal may therefore be altered prior to any implementation, the timing of which remains unclear.

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

Foreign Account Tax Compliance Act ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru

payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

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

SUBSCRIPTION AND SALE

Barclays Bank Ireland PLC and Morgan Stanley & Co. International plc (the "**Joint Global Coordinators**"), Banca Akros S.p.A., Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank and Morgan Stanley & Co. International plc (together with the Joint Global Coordinators, the "**Joint Bookrunners**") have, in a subscription agreement dated 23 May 2025 (the "**Subscription Agreement**"), jointly and severally agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount, less commissions, on the terms and subject to the conditions set out in the Subscription Agreement. In the Subscription Agreement, the Issuer has agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of Notes and to indemnify the Joint Bookrunners against certain liabilities incurred by them in connection therewith. The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or Joint Bookrunners in respect of any expense incurred or loss suffered in these circumstances.

United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority 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 except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S 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 thereunder.

The Joint Bookrunners have represented and agreed that, except as permitted by the Subscription Agreement, they have not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (a) as part of their distribution at any time or (b) otherwise until 40 days after completion of the distribution of the Notes, within the United States or to, or for the account or benefit of, U.S. persons. The Joint Bookrunners have further agreed that they will send to each dealer to which they sell 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 the Notes, an offer or sale of the 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.

Prohibition of Sales to EEA Retail Investors

The Joint Bookrunners have represented and agreed that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area.

For the purposes of this provision:

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

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

(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.

Prohibition of Sales to UK Retail Investors

The Joint Bookrunners have represented and agreed that they have 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 Prospectus to any retail investor in the United Kingdom.

For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement 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.

United Kingdom

The Joint Bookrunner have represented and agreed that:

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

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

Republic of Italy

The offering of the Notes has not been registered with the CONSOB pursuant to Italian securities legislation and, accordingly, the Joint Bookrunners have represented and agreed that sales of the Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

The Joint Bookrunners have represented and agreed that, save as set out below, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except to qualified investors (*investitori qualificati*), as defined in the Prospectus Regulation; or in other circumstances which are exempted from the rules on public offerings pursuant to the Prospectus Regulation, the Italian Finance Act and CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) ("**Regulation No. 11971**").

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Finance Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Italian Banking Act (in each case as amended from time to time);

(b) in compliance with Article 129 of the Italian Banking Act, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy, issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020), and

(c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or any other Italian authority.

France

The Joint Bookrunners have represented and agreed that they have not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in the Republic of France, and they have not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in the Republic of France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, the Joint Bookrunners have represented and agreed that they have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Singapore

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed 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 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 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any supplement or amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

General

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Bookrunners that would or is intended to permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, or any offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

The Joint Bookrunners have represented, warranted and agreed that they have complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any related offering material, in all cases at their own expense; and will obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of the Notes under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, and neither the Issuer, nor any of the Joint Bookrunners shall have any responsibility therefor. Other persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any related offering material, in all cases at their own expense.

GENERAL INFORMATION

Name and Legal Form of the Issuer

The Issuer is incorporated as a joint stock company (*società per azioni*) in the Republic of Italy, is registered with number 09722490969 in the companies' register of Milan and operates in accordance with the Italian Banking Act. Its telephone number is +39 0277001. According to Article 2 of the Issuer's current by-laws, its duration is set at 23 December 2114, and may be extended.

Corporate Purpose

The purpose of the Issuer, pursuant to Article 4 of the By-laws, is to collect savings and provide loans in various forms, both directly and through subsidiaries. In compliance with applicable regulations and after obtaining the necessary authorisations, the Issuer may carry out, directly or through its subsidiaries, all banking, financial and insurance transactions and services, including the establishment and management of open or closed-end pension schemes, and other activities that may be performed by lending institutions, including the issuance of bonds, the exercise of financing activities regulated by special laws and the sale and purchase of company receivables.

The Issuer may carry out any other transaction that is instrumental or in any way related to the achievement of its corporate purpose. To pursue its objectives, the Issuer may adhere to associations and consortia of the banking system, both in Italy and abroad.

In its capacity as parent company of the Group, pursuant to the laws from time to time in force, including Article 61, paragraph 4, of the Italian Banking Act, in exercising the activity of direction and coordination the Issuer issues guidelines to the Group's members, also for the purpose of executing instructions issued by the regulatory authorities and in the interest of the stability of the Group.

Share Capital of the Issuer

Pursuant to Article 6 of the By-laws, the subscribed and paid-up share capital of the Issuer is Euro 7,100,000,000 and is represented by 1,515,182,126 ordinary shares without nominal value.

Authorisation

The issuance of the Notes has been authorised by resolution of the board of directors of the Issuer dated 7 May 2025.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of Banco BPM is 815600E4E6DCD2D25E30.

Listing of Notes and Admission to Trading

Application has been made for the Notes to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

Documents Available

For as long as this Prospectus remains valid, copies of the following documents will, when published, be available to Noteholders for inspection or collection from the registered office of the Issuer and upon reasonable request from the specified offices of the Paying Agent for the time being in London (or may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent):

(a) the by-laws (with an English translation thereof) of the Issuer;

(b) the most recently published audited consolidated annual financial statements of the Issuer in each case together with the audit report prepared in connection therewith and the most recently published unaudited consolidated condensed interim financial statements of the Issuer (with an English translation thereof), together with the limited review report prepared in connection therewith. The Issuer currently intends to prepare audited consolidated and accounts on an annual basis and unaudited consolidated (condensed) interim financial statements on a semi-annual and quarterly basis;

(c) this Prospectus and any information incorporated by reference herein.

In addition copies of this Prospectus and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (*www.luxse.com*).

Clearing Systems

The Notes have been accepted for clearance and settlement by Monte Titoli. The ISIN is IT0005651788 and the common code is 308439577. The registered office and principal place of business of Monte Titoli is Piazza degli Affari 6, 20123 Milan, Italy.

Significant or Material Change

The conflicts between Russia and Ukraine and in the Middle East, as well as the trade policies of the new US Government and the relationship between the United States and China have significantly increased the uncertainties in the economy and the financial markets, as discussed in "*Risks related to the impact of global macro-economic factors, the consequences arising from the continuation of the conflicts between Russia-Ukraine and in the Middle East, and the impact of the geopolitical environment in general*" on page 13 of the EMTN Base Prospectus. Except for the potential direct and indirect impact of the conflicts between Russia and Ukraine and in the Middle East indicated in the previous paragraph, the trade policies of the new US Government and the relationship between the United States and China, there has been no significant change in the financial performance or position of the Issuer since 31 March 2025 and there has been no material adverse change in the prospects of the Issuer since 31 December 2024.

Litigation

Save as described under "*Description of the Issuer – Legal Proceedings of the Group*" of the EMTN Base Prospectus, incorporated by reference herein, 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.

Material Contracts

The Issuer has no material contracts in place which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Notes, other than those contracts entered into in the ordinary course of business.

Third party information

The Issuer confirms that any information that has been sourced from a third party has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Yield

There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption and the Issuer is not, and under certain circumstances is not permitted, to make payments on the Notes at the full stated rate. The interest rate is also subject to periodic resetting.

For information purposes only, the yield of the Notes calculated on the basis of the Issue Price and the Initial Rate of Interest from (and including) the Issue Date up to (but excluding) the First Reset Date and assuming no Write-Down during such period would be 6.348 per cent. per annum calculated on an annual basis. It is not an indication of the actual yield for such period or of any future yield.

Independent Auditors

PricewaterhouseCoopers S.p.A. was appointed by the shareholders' meetings of Banca Popolare di Milano S.c.a.r.l. and Banco Popolare – Società Cooperativa held on 15 October 2016 in the context of the Merger as independent auditor of the Issuer for its consolidated and separate annual financial statements as well as for its

interim consolidated financial statements. The engagement of PricewaterhouseCoopers S.p.A. will expire upon approval of the Issuer's financial statements as at and for the year ending 31 December 2025.

PricewaterhouseCoopers S.p.A., is registered in the Register of the Statutory Auditors, in compliance with the provisions of Legislative Decree No. 39/2010 as implemented by the MEF (Decree No. 144 of 20 June 2012). The registered office of PricewaterhouseCoopers S.p.A. is at Piazza Tre Torri n. 2, 20145, Milan, Italy.

Rating Agencies

Each of Fitch Ratings Ireland Limited Sede Secondaria Italiana and DBRS Ratings GmbH is established in the European Union and registered in accordance with Regulation No. 1060/2009/EC of the European Parliament and the Council dated 16 September 2009 relating to credit rating agencies (the "**EU CRA Regulation**"), and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at http://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

The rating that each of Fitch Ratings Ireland Limited Sede Secondaria Italiana and DBRS Ratings GmbH has given to the Notes to be issued is endorsed by Fitch Ratings Ltd and DBRS Ratings Limited respectively, which are established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Each of Fitch Ratings Ireland Limited Sede Secondaria Italiana and DBRS Ratings GmbH has been certified under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the UK CRA Regulation.

Interests of natural and legal persons involved in the issue/offer

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THE ISSUER

BANCO BPM S.p.A.
Piazza Filippo Meda, 4 20121 Milan
Italy

PAYING AGENT

BANCO BPM S.p.A.
Piazza Filippo Meda, 4
20121 Milan
Italy

LEGAL ADVISERS

To the Issuer as to Italian and English law
White & Case LLP
Piazza Diaz, 2
20123 Milan
Italy

To the Joint Bookrunners as to Italian and English law
Clifford Chance
Società tra Avvocati S.r.l.
Via Broletto, 16
20121 Milan, Italy

AUDITORS

PricewaterhouseCoopers S.p.A.
Piazza Tre Torri n. 2, 20145, Milan
Italy

JOINT GLOBAL COORDINATORS

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2
D02 RF29
Ireland

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

JOINT BOOKRUNNERS

Banca Akros S.p.A. – Gruppo Banco BPM
Viale Eginardo, 29
20149 Milan
Italy

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2
D02 RF29
Ireland

BNP PARIBAS
16, boulevard des Italiens
75009 Paris
France

BofA Securities Europe SA
51 Rue La Boétie
75008 Paris
France

Citigroup Global Markets Europe AG
Börsenplatz 9
60313 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank
12, Place des Etats-Unis, CS 70052
92547 Montrouge Cedex
France

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

LUXEMBOURG LISTING AGENT

BNP Paribas, Luxembourg Branch
60 Avenue J.F. Kennedy
L-1855 Luxembourg