

PROSPECTUS DATED 16 MAY 2024

**INTESA  SANPAOLO**  
**INTESA SANPAOLO S.P.A.**

*(incorporated as a società per azioni in the Republic of Italy)*

**€1,000,000,000 7.000% Additional Tier 1 Notes**

The €1,000,000,000 7.000% Additional Tier 1 Notes (the “Notes”) are issued by Intesa Sanpaolo S.p.A. (the “Issuer”) in denominations of €200,000 and integral multiples of €1,000 in excess thereof, up to (and including) €399,000. The Issue Price of the Notes is 100 per cent.

The Notes will bear interest at their Outstanding Principal Amount (as defined in Condition 2 (*Definitions and Interpretation*)) of the terms and conditions of the Notes (the “Conditions” and each of them, a “Condition”), on a non-cumulative basis subject to cancellation as described below, semi-annually in arrear on 20 May and 20 November in each year (each, an “Interest Payment Date”). The rate of interest of the Notes through to (and excluding) 20 May 2032 (the “First Reset Date”) will be 7.000 per cent. per annum, and will be reset on the First Reset Date and on each 5-year anniversary thereafter (each, a “Reset Date”).

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 of 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) in the circumstances described in Condition 6.2 (*Restriction on interest payments*). Any interest cancelled shall not be due and shall not accumulate or be payable at any time thereafter nor constitute a default for any purpose on the part of the Issuer, and holders of the Notes 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. See further Condition 6 (*Interest Cancellation*). Further, following a write-down of the Notes pursuant to Condition 7 (*Loss Absorption Mechanism*), holders of the Notes will not have any rights against the Issuer with respect to the repayment of interest on any principal amount that has been so written down (without prejudice to any rights as to reinstatement as may be applicable to the Notes); and interest - otherwise due and payable on an Interest Payment Date - on any principal amount that is to be written down on a date that falls after such Interest Payment Date as a result of a trigger event that has occurred prior to such Interest Payment Date will also be automatically cancelled, all as described in Condition 6.5 (*Interest Amount in case of Write-Down*).

**If the CET1 Ratio (as defined in Condition 2 (*Definitions and Interpretation*)) of the Issuer on either a solo or 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 of other Loss Absorbing Instruments (as defined in Condition 2 (*Definitions and Interpretation*)), as described in Condition 7.1 (*Write-down*). Following any write-down of the Notes, the Issuer may, at its sole and absolute discretion, but subject to a positive Net Income and Consolidated Net Income being recorded, reinstate and write up the Outstanding Principal Amount of the Notes on a *pro rata* basis with other Equal Trigger Loss Absorbing Instruments that have been written down, subject to compliance with the reinstatement limit pursuant to applicable banking regulations, on the terms and subject to the conditions set out in Condition 7.2 (*Reinstatement*). See Condition 7 (*Loss Absorption Mechanism*).**

The Notes are perpetual securities and have no fixed maturity date. The Notes shall become immediately due and payable only in case voluntary or involuntary winding up proceedings (excluding, for the avoidance of doubt, resolution proceedings or *moratoria* imposed by the resolution authority) are instituted in respect of the Issuer (otherwise than for the purpose 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 16 May 2024 provide for the duration of the Issuer to expire on 31 December 2100, 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, as described in Condition 8 (*Redemption and Purchase*). The Issuer may, at its option, redeem the Notes in whole, but not in part, on the First Reset Date and on any Interest Payment Date thereafter at their Outstanding Principal Amount together with any accrued interest (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) and any additional amounts due pursuant to Condition 10 (*Taxation*), as described in Condition 8.2 (*Redemption at the option of the Issuer*). In addition, the Issuer may, at its option, redeem the Notes in whole, but not in part, upon occurrence of a Regulatory Event or, in whole or in part, upon occurrence of a Tax Event (in each case, as defined in the Conditions), or 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, in each case, at a redemption price equal to at their Outstanding Principal Amount together with any accrued interest (if any and excluding any interest cancelled

in accordance with Condition 6 (*Interest Cancellation*)) and any additional amounts due pursuant to Condition 10 (*Taxation*), all as described in Conditions 8.3 (*Redemption due to a Regulatory Event*), 8.4 (*Redemption for tax reasons*) and 8.5 (*Clean-up Call Option*).

The Notes are expected, on issue, to be rated “Ba3” by Moody’s Investors Service España, S.A. (“**Moody’s**”), “BB-” by S&P Global Ratings Europe Limited, (“**S&P**”), “BB-” by Fitch Ratings Ireland Limited (“**Fitch**”) and “BBL” by DBRS Ratings GmbH (“**Morningstar DBRS**”). Each of Moody’s, S&P, Fitch and Morningstar DBRS is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended (the “**CRA Regulation**”). As such, each of them appears on the latest update of the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. The rating: (i) Moody’s has given to the Notes is endorsed by Moody’s Investors Service Ltd, (ii) S&P has given to the Notes is endorsed by S&P Global Ratings UK Limited, (iii) Fitch has given to the Notes is endorsed by Fitch Ratings Ltd, and (iv) Morningstar DBRS by DBRS Ratings Limited, each of which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). **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 organisation.**

**An investment in Notes involves certain risks. For a discussion of these risks, see the section entitled “Risk Factors” on page 8.**

This document in respect of the Notes (the “**Prospectus**”) constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the “**Prospectus Regulation**”). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as competent authority under the Prospectus Regulation, to approve this Prospectus. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer nor of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has also been made for the Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Professional Segment of its Regulated Market, which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (“**MiFID II**”).

This Prospectus will be valid until 16 May 2025 and may in this period be used for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid. For this purpose, “valid” means valid for making offers to the public or admission to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

The Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”), as defined in the rules set out in MiFID II. Prospective investors are referred to the section headed “*Restrictions on marketing and sales to retail investors*” on page 4 of this Prospectus for further information.

*Joint Lead Managers*

Barclays  
Deutsche Bank  
HSBC  
J.P. Morgan

BofA Securities  
Goldman Sachs International  
IMI - Intesa Sanpaolo  
Morgan Stanley

*Co-Lead Managers*

Banca Akros - Gruppo Banco BPM

Eurobank

Piraeus Bank

*The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is true and in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Prospectus should be read and construed together with any documents incorporated by reference herein.*

*No person has been authorised 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 should not be relied upon as having been authorised by the Issuer or any of the Managers (as defined in "Subscription and Sale" below).*

*No representation or warranty is made or implied by the Managers or any of their respective affiliates, and none of the Managers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) business or prospects of the Issuer or of the Intesa Sanpaolo Group (as defined below) since the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*This Prospectus may only be used for the purposes for which it has been published. The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Managers to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offering, or may be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offering to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see "Subscription and Sale" below. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act).*

*This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Managers or any of them that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be deemed to have made its own investigation and appraisal of the condition (financial or otherwise), business and prospects of the Issuer and of the Intesa Sanpaolo Group.*

*In this Prospectus, references to "**EUR**", "**euro**", "**Euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.*

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

## FORWARD-LOOKING STATEMENTS

*This Prospectus includes forward-looking statements. These include statements relating to, among other things, the future financial performance of the Intesa Sanpaolo Group (as defined in "Certain Definitions" below), plans and expectations regarding developments in the business, growth and profitability of the Intesa Sanpaolo Group and general industry and business conditions applicable to the Intesa Sanpaolo 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 Intesa Sanpaolo Group or those of its industry to be materially different from or worse than those expressed or implied in 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.*

## STABILISATION

*In connection with the issue of the Notes, Deutsche Bank Aktiengesellschaft (the "Stabilisation Manager") (or persons acting on behalf of the Stabilisation Manager) 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 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 be ended 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. Any stabilisation action or over allotment shall be conducted in accordance with all applicable laws and rules.*

## CERTAIN DEFINITIONS

*Intesa Sanpaolo is the surviving entity from the merger between Banca Intesa S.p.A. and Sanpaolo IMI S.p.A., which was completed with effect from 1 January 2007. Pursuant to the merger, Sanpaolo IMI S.p.A. merged by incorporation into Banca Intesa S.p.A. which, upon completion of the merger, changed its name to Intesa Sanpaolo S.p.A. Accordingly, in this Prospectus:*

- (i) references to "**Intesa Sanpaolo**" are to Intesa Sanpaolo S.p.A. in respect of the period since 1 January 2007 and references to the "**Group**" or to the "**Intesa Sanpaolo Group**" are to Intesa Sanpaolo and its subsidiaries in respect of the same period;*
- (ii) references to "**Banca Intesa**" or "**Intesa**" are to Banca Intesa S.p.A. in respect of the period prior to 1 January 2007 and references to the "**Banca Intesa Group**" or the "**Intesa Group**" are to Banca Intesa and its subsidiaries in respect of the same period; and*
- (iii) references to "**Sanpaolo IMI**" are to Sanpaolo IMI S.p.A. and references to "**Sanpaolo IMI Group**" are to Sanpaolo IMI and its subsidiaries.*

**Third Party Information** – Certain information and statistics presented in this Prospectus regarding markets and market share of the Issuer or the Group are either derived from, or are based on, internal data or publicly available data from external sources. In addition, the sources for the rating information set out in the sections headed Ratings of this Base Prospectus are the following rating agencies: Moody's Investors Service España, S.A., S&P Global Ratings Europe Limited, Fitch Ratings Ireland Limited and DBRS Rating GmbH (each as defined below). In respect of information in this Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

## RESTRICTIONS ON MARKETING AND SALES 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 the Managers 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 Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Managers 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 Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

**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 MiFID II; or (ii) a customer within the meaning of 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 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 of the UK by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Authority (“**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, 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 of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

**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 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 EUWA (“**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 manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

#### **Websites**

In this Prospectus, references to websites or uniform resource locators (“**URLs**”) are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Prospectus unless expressly stated herein.

## **Benchmarks Regulation**

Interest amounts payable under the Notes are calculated by reference to the 5-year Mid-Swap Rate (as defined in the *“Terms and Conditions of the Notes”*) which is provided by ICE Benchmark Administration Limited or, in the limited circumstances referred to in Condition 5.8 (*Fallbacks*), by reference to EURIBOR which is provided by the European Money Markets Institute (EMMI). As at the date of this Prospectus, EMMI is included in the register of administrators maintained by the European Securities and Markets Authority (ESMA) under Article 36 of the Regulation (EU) No. 2016/1011 (as amended, the **“EU Benchmarks Regulation”**). As far as the Issuer is aware, the transitional provisions of Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence.

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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 to an investment in the 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 currently may not be able to anticipate. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Issuer.*

*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” below or elsewhere have the same meanings when used in this section. References to a “Condition” is to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read the entire Prospectus, including the information incorporated by reference.*

### **RISK FACTORS RELATING TO THE ISSUER**

*Prospective investors are invited to carefully read this chapter on the risk factors before making any investment decision, in order to understand the risks related to the Intesa Sanpaolo Group and obtain a better appreciation of the Issuer's abilities to satisfy the obligations related to the Notes. The Issuer deems that the following risk factors could affect its ability to satisfy its obligations arising from the Notes. References in these risk factors to the “Bank” means Intesa Sanpaolo and, where the context requires, the Intesa Sanpaolo Group.*

*The risks below have been classified into the following categories:*

*Risks relating to the financial situation of Intesa Sanpaolo Group;*

*Risks related to legal proceedings;*

*Risks related to the business sector of Intesa Sanpaolo Group;*

*Risk related to the development of the banking sector regulation and the changes in the regulations on the solution of banking crises;*

*Reputational and ESG Risk of Intesa Sanpaolo Group; and*

*Risks related to the entry into force of new accounting principles and the amendment of the applied accounting principles.*

### **Risks related to the financial situation of Intesa Sanpaolo Group**

#### ***Risk exposure to debt Securities issued by sovereign States***

*As at 31 December 2023, based on management data, the exposure to securities issued by Italy amounted to €22.5 billion. It compared to approximately €27 billion as at 31 December 2022.*

*The market tensions regarding government bonds and their volatility, as well as Italy's rating downgrading or the forecast that such downgrading may occur, might have negative effects on the assets, the economic and/or financial situation, the operational results and the perspectives of the Bank.*

Intesa Sanpaolo Group results are and will be exposed to sovereign debtors, in particular to Italy and certain major European Countries.

As at 31 December 2023, based on management data, the exposure to securities issued by Italy amounted to €22.5 billion (2.3% of the total assets of the Group) excluding the insurance business, to which should be added approximately €8.2 billion represented by loans. On the same date, the investments in sovereign debt securities issued by EU countries, Italy included, corresponded to €65.4 billion (6.8% of the total assets of the Group) excluding the insurance business, to which should be added €10.7 billion represented by loans. On the whole, the securities issued by governments, central banks and other public entities represented approximately 13% of the total financial assets (calculated excluding the insurance business and including financial assets represented by due from banks and loans to customers).

As at 31 December 2022, based on management data, the exposure to securities issued by Italy amounted to approximately €27 billion (3% of the total assets of the Group) excluding the insurance business, to which should be added approximately €8 billion represented by loans. On the same date, the investments in sovereign debt securities issued by EU countries, Italy included, corresponded to €56 billion (6% of the total assets of the Group) excluding the insurance business, to which should be added approximately €10 billion represented by loans. On the whole, the securities issued by governments, central banks and other public entities represented 11% of total financial assets (calculated excluding the insurance business and including financial assets represented by due from banks and loans to customers).

#### **Risks related to legal proceedings**

*As at 31 December 2023, there were a total of about 34,400 disputes, other than tax disputes, pending at Group level (excluding those involving Risanamento S.p.A, which is not subject to management and coordination by Intesa Sanpaolo) with a total remedy sought of around 3,300 million euro. This amount includes all outstanding disputes, for which the risk of a disbursement of financial resources resulting from a potential negative outcome has been deemed possible or probable and therefore does not include disputes for which risk has been deemed remote. Those disputes include a large number of mass disputes at the international subsidiary banks (around 23,400 disputes) which, as a whole, account for a very low remedy sought. The risks associated with these disputes are thoroughly and individually analysed by the Bank and the Intesa Sanpaolo Group companies. Specific and appropriate provisions have been made to the allowances for risks and charges in the event of disputes for which there is an estimated probability of a disbursement of more than 50% and where the amount of the disbursement may be reliably estimated (disputes with likely risk). Without prejudice to the uncertainty inherent in all litigation, the estimate of the obligations that could arise from the disputes and hence the amount of any provisions recognised are based on the forward-looking assessments of the outcome of the trial. These forward-looking assessments are, in any event, prepared on the basis of all information available at the time of the estimate and updated over the course of the proceedings. The disputes with likely risk amount to around 26,300 with a remedy sought of 1,775 million euro and provisions of 695 million euro. The component referring to the Parent Company Intesa Sanpaolo, which also includes the dispute relating to the subsidiary Intesa Sanpaolo Provis S.p.A. merged in April, totals around 5,690 disputes, with a remedy sought of 1,516 million euro and provisions of 496 million euro. There were around 600 disputes relating to other Italian subsidiaries, with a remedy sought of 144 million euro and provisions of 77 million euro. In Italy, most of them relate to issues of anatocism (2,900 positions).*

*With regard to the international subsidiaries, there were around 20,000 disputes with a remedy sought of 115 million euro and provisions of 121 million euro, impacted by the previously mentioned mass disputes. Specifically, there were around 16,400 disputes relating to the subsidiary Banca Intesa Beograd in relation to two areas of litigation that have involved the entire Serbian banking system. The first concerns processing fees charged by banks when granting loans and the second relates to real estate loans insured through the National Housing Loan Insurance Corporation (NKOSK).*

*Legal risks are thoroughly analysed by the Parent Company and Group companies. Provisions are made to the allowances for risks and charges in the event of disputes for which it is probable that funds will be disbursed and where the amount of the disbursement may be reliably estimated.*

See the paragraph “*Legal Risks*” in Part E (*Information on risks and relative hedging policies*) in the Notes to the consolidated financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2023 (the “**2023 Annual Report**”) (pages 561 – 572), incorporated by reference in this Prospectus.

The risk arising from legal proceedings consists of the possibility of the Bank being obliged to pay any sum in case of unfavourable outcome.

The most common legal disputes are related to invalidity, cancellation, inefficacy actions or compensation for damages as a consequence of transactions related to the ordinary banking and financial activity carried out by the Bank.

### **Risks related to the business sector of Intesa Sanpaolo**

#### ***Risks related to the economic/financial crisis and the impact of current uncertainties of the macro-economic context***

*The future development in the macro-economic context may be considered as a risk as it may produce negative effects and trends in the economic and financial situation of the Bank and/or the Group.*

*Any negative variations of the factors described hereafter, in particular during periods of economic - financial crisis, could lead the Bank and/or the Group to suffer losses, increases of financing costs, and reductions of the value of the assets held, with a potential negative impact on the liquidity of the Bank and/or the Group and its financial soundness.*

The trends of the Bank and the Group are affected by the general, national and economic situation of the Eurozone, the dynamics of financial markets and the soundness and growth prospects of the economy of other geographic areas in which the Bank and/or the Group operates.

In particular, the profitability capacity and solvency of the Bank and/or the Group are affected by the trends of certain factors, such as the investors' expectations and trust, the level and volatility of short-term and long-term interest rates, exchange rates, financial markets liquidity, availability and cost of capital, sustainability of sovereign debt, household incomes and consumer spending, unemployment levels, business profitability and capital spending, inflation and housing prices.

The macro-economic framework is currently characterised by significant profiles of uncertainty, in relation to: (a) the Russian-Ukraine and the Middle East conflicts; (b) the future developments of ECB monetary policies in the Euro area and of the FED in the dollar area; (c) the tensions observed, on a more or less recurrent basis, on the financial markets; (d) the risk that in the future holders of Italian government debt lose confidence in the credit standing of Republic of Italy, owing to political developments or changes in budgetary policies affecting the sustainability of government debt; (e) the risk of energy supply disruptions and their effects on economic activity and prices.

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

The EU-UK Trade and Cooperation Agreement (the “**Trade and Cooperation Agreement**”), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not

create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

The precise impact on the business of the Issuers and the Group is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

### **Credit risk**

*As of 31 December 2023, Intesa Sanpaolo recorded a gross NPL ratio (based on EBA metrics) of 1.8% (as at 31 March 2024, 2.0%). On 31 December 2022, the same data corresponded to 1.9%, compared to 2.4% recorded on 31 December 2021 well below the threshold which identify banks in Member States across the Euro area with high levels of non-performing loans. In this regard the credit institutions which recorded a gross NPL ratio higher than 5% are required – on the grounds of the "Guidelines on management of non-performing and forborne exposures" of EBA – to prepare specific strategic and operative plans for the management of such exposures.*

*Taking into consideration the pattern of the main credit risk indicators in 2023, and the improvement of the Gross NPL ratio well below the 5% threshold, Intesa Sanpaolo deems that the risk related to credit quality is of low relevance.*

The economic and financial activity and soundness of the Bank depends on its borrower's creditworthiness. The Bank is exposed to the traditional risks related to credit activity. Therefore, the clients' breach of the agreements entered into and of their underlying obligations, or any lack of information or incorrect information provided by them as to their respective financial and credit position, could have negative effects on the economic and/or financial situation of the Bank. Furthermore, any exposures in the bank portfolio towards counterparties, groups of connected counterparties and counterparties of the same economic sector, which perform the same activity or belong to the same geographic area, could increase the Bank concentration risk.

More generally, the counterparties may not satisfy their respective obligations towards the Bank by reason of bankruptcy, absence of liquidity, operational disruption or any other reason. The bankruptcy of an important stakeholder, or any concerns about its default, could cause serious liquidity issues, losses or defaults by other institutions, which, in turn, could negatively affect the Bank. The Bank may also be subject to the risk, under specific circumstances, that some of its credits towards third parties are no longer collectable. Furthermore, a decrease of the creditworthiness of third parties, including sovereign States, of which the Bank holds securities or bonds, might cause losses and/or negatively affect the ability of the Bank to invest again or use in a different way such securities or bonds for liquidity purposes. A significant decrease of the creditworthiness of the counterparties of the Bank might, therefore, have a negative impact on the results of the Bank's performances. Albeit, in many cases, the Bank could require further guarantees to the counterparties which are in financial difficulties, certain disputes may arise with respect to the amount of guarantee that the Bank is entitled to receive and the value of the assets which are object of guarantee. The default rates, counterparties rating deterioration and disputes in relation to counterparties on the guarantee appraisal could be significantly increased during periods of market tensions and illiquidity.

Intesa Sanpaolo has always managed its risk portfolio proactively and prudently, overcoming the various crises of recent years unscathed. Over the 2022-25 planning horizon, the Group intends to pursue a modular de-risking strategy – which was already launched in the last Business Plan with significant results – with a view to placing the Bank among the best in Europe in terms of NPL ratios and stock (a Zero-NPL Bank) and generating a sharp drop in the cost of risk. *Management aims to always maintain the cost of risk* at a conservative level, thanks to both substantial reserves for provisions on receivables and ongoing prudent credit management. The de-risking strategy will be pursued also thanks to the supervision and monitoring activities performed by the "Group NPL Plan Control Room". Deleveraging will make use of additional selected partnerships and targeted portfolio disposals.

The results for 2023 confirm that Intesa Sanpaolo is able to generate sustainable profitability even in complex environments thanks to its well-diversified and resilient business model. As at 31 December 2023, the Group's gross non-

performing loans amounted to 9.9 billion euro, down by 0.7 billion euro (- 7%) compared to 31 December 2022. Their ratio to total loans was 2.3%, in line with the December 2022 figure (1.8% in 2023 and 1.9% in 2022 in accordance with the EBA definitions). This result is mainly attributable to the de-risking initiatives already implemented during the year. The process of reducing non-performing loans also continues to benefit from new inflows of performing loans which remained low due to the performance of the prevention initiatives on non-performing loans.

Total non-performing loans for 2023 (bad, unlikely-to-pay, and past due) amounted – net of adjustments – to €4,965 million, down 9.7% from €5,496 million at year-end 2022 (as at 31 March 2024, €4,955 million, down 0.2% compared to year-end 2023). In further detail, on 31 December 2023 bad loans amounted to €937 million (-17.2%), net of adjustments, representing 0.2% of total net loans with a coverage ratio of 72.4% (€987 million at 31 March 2024, with a bad loan to total loan ratio of 0.2% and a cash coverage ratio of 73%). Loans included in the unlikely-to-pay category amounted to €3,571 million, down by 9.6%, accounting for 0.9% of total net loans to customers, with a coverage ratio of 39.3% (€3,541 million at 31 March 2024). Past-due loans amounted to €457 million (+10.7%), with a coverage ratio of 27% (€427 million at 31 March 2024).

Intesa Sanpaolo continues to operate as a growth accelerator in the real economy in Italy: in 2023, medium/long-term new lending granted by the Group to Italian households and businesses amounted to around €40 billion (around €9 billion in the first quarter of 2024). In 2023, the Group facilitated the return to performing status of around 3,600 companies, thus safeguarding around 18,000 jobs (in the first quarter of 2024, around 700 companies, thus safeguarding some 3,500 jobs). This brought the total to 141,500 companies since 2014, with around 708,000 jobs safeguarded over the same period.

For more information on European legislative initiatives on Non-Performing Loans, please refer to the "*Regulatory Section – Regulatory and supervisory framework on non-performing exposures*" of the EMTN Base Prospectus, incorporated by reference in this Prospectus.

For further information on the management of the "credit risk", please refer to Part E (*Information on risks and relative hedging policies*) of the Notes to the 2023 Annual Report, incorporated by reference in this Prospectus.

### **Market risk**

*In 2023, with regard the overall limit relating to trading and the hold to collect and sell (HTCS) business model, the Group's average managerial VaR was equal to € 154 million, in reduction compared to the same period of 2022, which was equal to € 194 million.*

*Regarding held for trading portfolio only, managerial VaR has recorded in 2023 an average value of € 31 million, (€ 24 million was the average value on 31 December 2022): the increase is mainly attributable to higher interest rate risk exposures.*

The market risk is the risk of losses in the value of financial instruments, including the securities of sovereign States held by the Bank, due to the movements of market variables (by way of example and without limitation, interest rates, prices of securities, exchange rates), which could determine a deterioration of the financial soundness of the Bank and/or the Group. Such deterioration could be produced either by negative effects on the income statement deriving from positions held for trading purposes, or from negative changes in the FVOCI (*Fair Value through Other Comprehensive Income*) reserve, generated by positions classified as financial Activities evaluated at fair value, with an impact on the overall profitability.

The Bank is therefore exposed to possible changes of the financial instruments value, including the securities issued by sovereign States, due to fluctuations of interest rates, exchange rates of currencies, prices of the securities listed on the markets, commodities and credit spreads and/or other risks. Such fluctuations could be caused by changes in the general economic trend, the investors' propensity to investments, monetary and tax policies, liquidity of the markets on a global scale, availability and capital cost, interventions of rating agencies, political events both at social and international level, war conflicts and acts of terrorism.

For further information please see Part E (*Information on risks and relative hedging policies*) of the Notes to the 2023 Annual Report, incorporated by reference in this Prospectus.

### ***Liquidity risk of Intesa Sanpaolo***

*The ratio between the loans to customers and the direct deposits from banking business (“Loan to deposit ratio”), on 31 December 2023 was at 74.6%, compared to 81.9% on 31 December 2022.*

*Both regulatory indicators, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), were well above the minimum regulatory requirements (100%). The LCR of the Intesa Sanpaolo Group, measured according to Delegated Regulation (EU) 2015/61, amounted to an average of 168.1% over the last twelve months ending 31 December 2023<sup>1</sup> (168.7% at 31 March 2024). The NSFR measured in accordance with regulatory instructions, was 121.1% at the end of December 2023 (121% at 31 March 2024).*

*The participation of the Group to TLTRO (targeted longer-term refinancing operations) funding transactions with ECB at the end of December 2023 was equal to approximately nominal €45.1 billion (€9 billion as at 31 March 2024).*

*Although the Bank constantly monitors its own liquidity risk, any negative development of the market situation and the general economic context and/or creditworthiness of the Bank, may have negative effects on the activities and the economic and/or financial situation of the Bank and the Group. In particular, in light of the findings set forth in the EBA third report on LCR and NSFR monitoring<sup>2</sup>, the Issuer remains attentive to the evolution of the funding market to ensure that its ordinary refinancing strategies and normal business are not affected by the cumulative effect of the maturity of all the remaining central bank funding and additional outflows due to the impact of adverse market liquidity scenarios.*

The liquidity risk is the risk that the Bank is not able to satisfy its payment obligations at maturity, both due to the inability to raise funds on the market (funding liquidity risk) and of the difficulty to disinvest its own assets (market liquidity risk).

The liquidity of the Bank may be prejudiced by the temporary impossibility of accessing capital markets by the issuance of debt securities (both guaranteed and not guaranteed), the inability to receive funds from counterparties which are external to or of the Group, the inability to sell certain assets or redeem its investments, as well as unexpected cash outflows or the obligation to provide more guarantees. Such a situation may occur by reason of circumstances that are independent from the control of the Bank, such as a general market disruption or an operational issue which affects the Bank or any third parties, or also by reason of the perception among the participants in the market that the Bank or other participants in the market are experiencing a higher liquidity risk. The liquidity crisis and the loss of trust in the financial institutions may increase the Bank's cost of funding and limit its access to some of its traditional liquidity sources.

Examples of liquidity risk manifestation are the bankruptcy of an important participant to the market, or concerns about its possible default, which may cause serious liquidity issues, losses or defaults of other banks which, in turn, could negatively affect the Bank; and a decrease of the creditworthiness of third parties of which the Bank holds securities or bonds, that may determine losses and/or negatively affect the ability of the Bank to invest again or use in a different way such securities or bonds for liquidity purposes.

For further information please see Part E (*Information on risks and relative hedging policies*) of the Notes to the 2023 Annual Report, incorporated by reference in this Prospectus.

### ***Operational risk***

*The Bank is exposed to several categories of operational risk which are intrinsic to its business, among which those mentioned herein, by way of example and without limitation: frauds by external persons, frauds or losses arising from*

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<sup>1</sup> The LCR ratio refers to the simple average of the last 12 months of monthly observations, as per Regulation (EU) 2021/637.

<sup>2</sup> EBA Report on “Monitoring of liquidity coverage ratio and net stable funding ratio implementation in the EU” of 15 June 2023.

*the unfaithfulness of the employees and/or breach of control procedures, operational errors, defects or malfunctions of computer or telecommunication systems, computer virus attacks, default of suppliers with respect to their contractual obligations, terrorist attacks and natural disasters. The occurrence of one or more of said risks may have significant negative effects on the business, the operational results and the economic and financial situation of the Bank. The capital absorption amounted to € 2,278 million as at 31 December 2023 and represented approximately 9.4% of the total value of the Intesa Sanpaolo Group requirement.*

The operational risk may be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes the following risks: legal, conduct, compliance, financial crime, fiscal, IT and Cyber, physical security, business continuity, third-party, data quality, fraud, process and employer risks; strategic and reputational risk are not included.

The Bank has defined a framework for the operational, ICT and security risks management which consists of the following phases:

- identification: the detection and description of potential operational, ICT and security risk areas (e.g. operational events, presence of issues, applicability of risk factors, significant risk scenarios);
- assessment and measurement: this phase includes the activities aimed at the qualitative/quantitative determination of the Group operational, ICT and security risk exposure and the transformation of the evaluations collected (e.g. internal and external operational loss data, management levels of risk factors, probability and impact in case of realisation of risk scenarios) in synthetic risk measures;
- monitoring and control: continuous management of changes in the operational, ICT and security risk exposure, also to prevent the occurrence of harmful events and to promote active risk management;
- mitigation: operational, ICT and security risk containment through appropriate mitigation actions and suitable risk transfer strategies, based on a risk-driven approach;
- reporting: preparation of information flows related to operational, ICT and security risk management, designed to ensure adequate knowledge of the exposure to this risk.

Although the Bank constantly supervises its own operational, ICT and security risks, certain unexpected events and/or events out of the Bank's control may occur (including those mentioned above by way of example and without limitation), with possible negative effects on the business and the economic and/or financial situation of the Bank and the Group, as well as on its reputation.

For further information please see Part E (*Information on risks and relative hedging policies*) of the Notes to the 2023 Annual Report, incorporated by reference in this Prospectus.

### ***Foreign exchange risk***

*The Bank is exposed to several categories of foreign exchange risk which are intrinsic to its business and are lied in foreign currency loans and deposits held by customers, purchases of securities, equity investments and other financial instruments in foreign currencies, conversion to domestic currency of assets, liabilities and income of branches and subsidiaries abroad, trading of foreign currencies and banknotes, and collection and/or payment of interest, commissions, dividends and administrative costs in foreign currencies. Although the Bank constantly monitors its exposure to foreign currencies, any negative development of the foreign rates may have negative effects on activities and the economic and/or financial situation of the Bank and the Group.*

"Foreign exchange risk" is defined as the potential loss resulting from changes in the exchange rate that could have a negative impact on the valuation of the assets and liabilities in the financial statements and on earnings and capital ratios. Two types of Foreign Exchange Risk are identified: Structural and Transaction risk. Structural Foreign Exchange Risk is defined as the potential loss resulting from changes in the exchange rate that could have a negative impact on the foreign exchange reserves that are part of the Group's consolidated shareholders' equity, and includes the foreign exchange risk

associated with hybrid capital instruments. The key sources of structural foreign exchange risk are therefore the investments in associates and companies subject to joint control.

The Intesa Sanpaolo Group's management of the Structural Foreign Exchange Risk assigns the Parent Company the related management and coordination powers in order to achieve a consistent Group strategy. This choice, which is consistent with the Parent Company's role as the liaison with the Supervisory Authority, allows the activities to be performed based on the specific responsibilities set out in the prudential supervision regulations, in addition to suitably mitigating and/or managing this type of risk.

Transaction Foreign Exchange Risk is defined as the potential loss resulting from changes in the exchange rate that may have a negative impact both on the valuation of the assets and liabilities in the financial statements and on the earnings from funding and lending transactions in currencies other than the euro.

The main sources of this foreign exchange risk consist of: non-euro loans and deposits held by corporate and/or retail customers; conversion into domestic currency of assets, liabilities and income of the international branches; trading of foreign currencies; collection and/or payment of interest, commissions, dividends and administrative expenses in foreign currencies; purchase and sale of securities and financial instruments for the purpose of resale in the short term; etc. Transaction foreign exchange risk also includes the risk related to transactions connected to operations that generate the type of structural foreign exchange risk represented, for example, by dividends, earnings in the process of being generated, and corporate events.

### **Risk related to the development of the banking sector regulation and the changes in the regulation on the solution of banking crises**

*The Bank is subject to a complex and strict regulation, as well as to the supervisory activity performed by the relevant institutions (in particular, the European Central Bank, the Bank of Italy and CONSOB). Both the aforementioned regulation and supervisory activity are subject, respectively, to continuous updates and practice developments.*

*Furthermore, as a listed bank, the Bank is required to comply with further provisions issued by CONSOB.*

*The Bank, besides the supranational and national rules and the primary or regulatory rules of the financial and banking sector, is also subject to specific rules on anti-money laundering, usury and consumer protection.*

*Although the Bank undertakes to comply with the set of rules and regulations, any changes of the rules and/or changes of the interpretation and/or implementation of the same by the competent authorities could give rise to new burdens and obligations for the Bank, with possible negative impacts on the operational results and the economic and financial situation of the Bank.*

### ***Regulatory framework***

Starting from 1 January 2014, a part of the prudential Rules has been amended on the grounds of the directions deriving from the so-called Basel III agreements, mainly with the purpose to significantly strengthen the minimum capital requirements, the restraint of the leverage degree and the introduction of policies and quantitative rules for the mitigation of the liquidity risk of the banks.

As for the capital requirements, the prudential provisions in force provide for minimum capitalisation levels. In particular, the banks are required to have a Common Equity Tier 1 (CET 1) ratio at least equal to 7% of the risk-weighted assets, a Tier 1 ratio equal at least to 8.5% of the risk-weighted assets and a Total Capital ratio equal at least to 10.5% of said risk-weighted assets (such minimum levels include the so-called "capital conservation buffer", namely a "buffer" of further mandatory capitalisation).

As known, Intesa Sanpaolo, as a bank of significant importance for the European financial system, is subject to direct supervision of the European Central Bank (ECB). Following the Supervisory Review and Evaluation Process (SREP) the



ECB provides, on an annual basis, a final decision of the capital requirement that Intesa Sanpaolo must comply with at consolidated level. On 30 November 2023, Intesa Sanpaolo announced that it had received the final decision of the ECB concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2024. The overall capital requirement the Bank is required to meet in terms of Common Equity Tier 1 ratio is currently 9.33% (based on the information available as at 31 December 2023).

This is the result of: a) a SREP requirement in terms of Total Capital ratio equal to 9.50%, which includes a Pillar I minimum requirement of 8%, of which 4.5% in terms of Common Equity Tier 1, and an additional Pillar II requirement of 1.50%<sup>3</sup>, of which 0.84% in terms of Common Equity Tier 1; b) the additional requirements, entirely in terms of Common Equity Tier 1, represented by: the Capital Conservation Buffer of 2.5%; the O-SII Buffer (Other Systematically Important Institutions Buffer) of 1.25% and the Countercyclical Capital Buffer of 0.24%<sup>4</sup>.

As at 31 December 2023, after having deducted from capital €2.6 billion of interim dividends for 2023 paid in November 2023 and €2.8 billion proposed remaining dividends for 2023 as well as coupons accrued on the Additional Tier 1 issuances, the Common Equity Tier 1 ratio stood at 13.7%, the Tier 1 ratio at 16.3% and the Total capital ratio at 19.2%. See further "*Description of the Issuer – Regulatory Capital Ratios*".

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

Both indicators of the Group are widely above the minimum limits provided by the Rules.

Despite the overall liquidity situation of the Group is more than safe and under constant control, some risks may materialize in the horizon, depending on the economic recovery. An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules.

With regard to the Russia-Ukraine conflict, currently, in light of the low exposure to Russian and Ukrainian counterparties, there were no significant impacts on the Group's consolidated liquidity position. See: "*Description of the Issuer – Exposure to Russia*".

Furthermore, the Capital Requirement Regulation (CRR2, transposing Basel III Accord) introduced the financial Leverage Ratio, which measures the coverage degree of Class 1 Capital compared to the total exposure of the Bank Group. Such index is calculated by considering the assets and exposures out of the budget. The objective of the indicator is to contain the degree of indebtedness in the balance sheets of the banks. The ratio is subject to a minimum regulatory limit of 3%. As at 31 March 2024, the Group's leverage ratio was 5.8%, unchanged compared to December 2023.

Although the above-mentioned regulatory evolution (further described under the "*Regulatory Section*" on pages 330-347 of the EMTN Base Prospectus, incorporated by reference in this Prospectus) envisages a gradual adaptation to the new prudential requirements, the impacts on the management dynamics of the Bank could be significant.

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

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<sup>3</sup> Following the additional Article 3 CRR deduction made to Own funds in June 2023 (for the calendar provisioning on exposures included in the scope of Pillar 2), the Supervisor updated the Pillar 2 Requirement (P2R) applicable in 2023 (SREP 2022). As a result, from the second half of 2023, the P2R on Total Capital is 1.50% (compared to 1.72% previously).

<sup>4</sup> Computed taking into account the exposure as at 31 December 2023 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero in Italy for 2023 and the first quarter of 2024).

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

Moreover, the Directive 2014/59/EU of the European Parliament and the Council (Bank Recovery and Resolution Directive, "**BRRD**", as amended by Directive 879/2019/EU, "**BRRD II**"), which, *inter alia*, introduced the so-called "bail-in", Regulation 2019/876/EU of the European Parliament and the Council, which amends Regulation 575/2013/EU (s.c. "**CRR II**") and the Directive of the Parliament and the Council 2019/878/EU, which amends Directive 2013/36/EU (s.c. "**CRD V**") must be taken into consideration and put in force by Intesa Sanpaolo Group.

The Intesa Sanpaolo Group is subject to the BRRD, as subsequently amended, which is intended to enable a wide range of actions that could be taken towards institutions considered to be at risk of failing (i.e., the sale of business, the asset separation, the bail-in and the bridge bank). The execution of any action under the BRRD towards the Intesa Sanpaolo Group could materially affect the value of, or any repayments linked to the Notes.

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

In this respect, "banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities.

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

Moreover, as of the date of this Prospectus, the Bank of Italy's authority to introduce a systemic risk buffer and borrower-based measures have been introduced into the supervisory regulations on banks (the **Circular No. 285**). Further to a public consultation held in March 2024, the Bank of Italy announced on 26 April 2024 that it has decided to apply a systemic risk buffer equal to 1.0% of credit and counterparty risk-weighted exposures to Italian residents to all banks authorised to operate in Italy. The target reserve of 1.0% is to be achieved gradually by setting aside a reserve of 0.5% of risk weighted exposures by 31 December 2024, and the remaining 0.5% by 30 June 2025. The systemic risk buffer is to be applied at the highest consolidated level for groups and at the individual level for banks not belonging to groups.

Moreover, the European co-legislators have reached a provisional agreement in June 2023 on the 2021 Banking Reform Package, which has been approved by the Committee on Economic and Monetary Affairs (ECON) of the European Parliament on 11 December 2023, and adopted by the European Parliament on 24 April 2024 (see further the paragraph "*Revisions to the CRD IV Package*" in the "*Regulatory Section*" of the EMTN Base Prospectus, incorporated by reference in this Prospectus). The proposed amendments to CRR II and CRD V need to be approved by the Council of the European

Union before it can come into force. It is not yet clear exactly how, and to what extent, the entering into force of this legislative package may impact the Group's operations. Finally, on 18 April 2023, the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (the **CMDI Reform**) framework). The CMDI Reform includes, among other things, the amendment of the ranking of claims in insolvency ensuring a general depositor preference with a single-tier depositor preference. The implementation of the CMDI Reform is subject to further legislative procedures and, as at the date of this Prospectus, there is still legal uncertainty as to what extent its adoption and implementation would impact on the Issuer's operations.

For further details, please see the "*Regulatory Section*" of the EMTN Base Prospectus, incorporated by reference in this Prospectus.

### **Reputational and ESG Risk of Intesa Sanpaolo Group**

*Financial institutions are facing increased scrutiny on climate and broader environmental, social and governance ("ESG")-related issues from governments, regulators, shareholders and other bodies. This focus on ESG may lead to reputational risks if the Bank is not perceived to support the transition to a lower carbon economy, as well as to protect biodiversity and human rights. The Bank is also required to review and enhance our ESG risk management frameworks in alignment with emerging regulatory guidance and to ensure that we accurately portray the ESG aspects of our activities.*

Within the Bank the governance of reputational and ESG risks is carried out in close integration due to the strong interconnections between these risk profiles.

Reputational risk is the current or prospective risk of a decline in profits or enterprise value (capitalisation) resulting from a negative perception of the Group's image by customers, counterparties, Group shareholders, investors, or regulatory authorities. ESG risks include all risks arising from potential negative impacts, direct or indirect, on the environment, people and communities and more generally all stakeholders, in addition to those arising from corporate governance. Within this category of risk, climate change risk is of significant relevance.

The Bank is exposed to risks arising from climate change either directly through its own operations or indirectly through its financing and investment activities. The taxonomy adopted by Intesa Sanpaolo divides climate change risks into physical and transition risks.

Physical risks represent the negative financial impact from climate change, including more frequent extreme weather events and gradual climate change, as well as environmental degradation, i.e. air, water and soil pollution, water stress, biodiversity loss, and deforestation. These types of risks – which can usually arise in both the short/medium and long term – can be broken down into acute and chronic risks:

- acute physical risks refer to specific events that have the potential to create significant physical damage (e.g. flooding of rivers and oceans, tropical storms). These events are occurring more frequently, on both a regional and global basis;
- chronic physical risks involve a series of physical impacts of considerably longer duration than those posed by acute risks. They are identifiable as processes of change rather than single events. In most cases, the impacts are localised (e.g., drought) but chronic risks are likely to become more significant in the long term.

Transition risks are the negative financial impacts that an institution may incur, directly or indirectly, as a result of the process of adjustment to a low-carbon and more environmentally sustainable economy, arising from:

- public policy and legal risks: this category includes policies that attempt to limit actions that contribute to the negative effects of climate change or political actions that seek to promote adaptation to climate change and the legal risk arising from the inability of organisations to mitigate/adapt to climate change;
- technological developments: these include innovations that support the transition to a low-carbon and energy-efficient economic system;

- consumer preferences: changes in the demand and supply of certain goods, products and services;
- reputational risk arising from changes in customer or community perceptions of an organisation's contribution to the transition to a low-carbon economy.

Even though the Bank is working on the identification of the potential impact and the mitigation action to be taken to address both transition and physical risks, climate change could nonetheless have a material adverse effect on our business, results of operations and financial condition. In its Business Plan, the Group aims at creating strong and sustainable value for the Bank's shareholders, further increasing its solid capital position and its ESG commitment. The Group is also working to achieve a net-zero emission target, in terms of own emissions by 2030, and in terms of loan and investment portfolios, asset management and insurance sectors by 2050. This includes the ability to identify, monitor and manage ESG-related risks associated with the activities of customer companies in the investment and lending decisions by the Group. Both rapidly changing regulatory as well as stakeholder demands, combined with significant focus by stakeholders, may materially affect the Group's businesses if it fails to adopt such demands or appropriately implement its strategic plans.

### **Risks related to the entry into force of new accounting principles and the amendment of the applied accounting principles**

The Bank is exposed, as well as any other entity operating within the bank sector, to the effects deriving from both the entry into force of new accounting principles and the amendment of the existing ones, in particular with respect to the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS), as approved and adopted within the European legal system.

It is primarily noted that IFRS 17 Insurance Contracts, published by the IASB in May 2017 and subject to subsequent amendments, endorsed with Regulation (EU) no. 2036/2021 of 19 November 2021, is applicable from 1 January 2023.

The insurance companies of the Intesa Sanpaolo Group also applied for the first time IFRS 9 Financial Instruments, the application of which was deferred by virtue of the application of the deferral approach<sup>5</sup>. IFRS 17 envisages the introduction of new balance sheet figures and different ways of recognising the profitability of insurance products in the financial statements, which could lead to both balance sheet impacts upon first-time adoption of the standard and volatility in the income statement once the standard is being implemented. The balance sheet impact upon first-time adoption depends on the level of market rates at the transition date, as well as the transition approaches adopted. On the other hand, the income statement result is closely related to how the Contractual Service Margin ("CSM") is released over time and how it is adjusted following revisions to the operational and financial assumptions included in the cash flow and risk adjustment. With regard to the effects of the application of IFRS 17, at the transition date (1 January 2022), the Shareholders' Equity in the Group consolidated financial statements decreased by 985 million euro, net of the tax effect, due to greater insurance liabilities for 731 million euro (505 million euro net of the tax effect) due to the different measurement criteria set out in IFRS 17 in place of the previous IFRS 4 and to the derecognition of intangible assets (new business and distribution) with a finite useful life, for a total of 685 million euro (480 million euro net of the tax effect). The total effect on shareholders' equity as at 31 December 2022 deriving from the combined application of IFRS 9 and IFRS 17 was a negative 552 million euro net of the tax effect. That effect is due to the impacts of transition to IFRS 17/IFRS 9 as at 1 January 2022 (a negative 985 million euro), partially offset during the year by greater income (25 million euro) and greater reserves (408 million euro) expressed in accordance with the new standards.

The accounting effects of IFRS 9 and IFRS 17 also have consequences on the regulatory capital and prudential ratios. Shareholders' Equity in terms of own funds decreased as at 31 December 2022 by -408 million euro (calculated excluding

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<sup>5</sup> Note that, by virtue of the application of the Deferral Approach, the financial assets and liabilities of the subsidiary insurance companies continued to be recognised in accordance with the provisions of IAS 39, while awaiting the entry into force of the new international financial reporting standard on insurance contracts (IFRS 17).

from the overall impact on shareholders' equity of -552 million euro recorded as at 31 December 2022, 144 million euro in effects relating to the intangibles of the banking group derecognised, as they were already deducted for prudential purposes), with an impact of -11 basis points on the CET 1 ratio. Note that, for the purpose of the prudential calculation, the investment in the insurance companies falls under the Danish Compromise regime, which allows the investment to be weighted at 370% instead of deducting it from CET1.

For further details on the first adoption of the new principle IFRS 17 and IFRS 9 for Group's insurance companies, including a complete illustration of the provisions of these standards, the Group's choices and the related impacts, please refer to the specific section "*Transition to IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments by the Group's insurance companies*" in Part A (*Accounting policies*) of the Notes to the 2023 Annual Report (pages 195-211), incorporated by reference in this Prospectus.

Among the other amendments in force since 2023, Regulation no. 2468/2023 amends IAS 12 Income Taxes with respect to the international tax reform. The amendments introduced a mandatory temporary exception from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two model rules, as well as targeted disclosures for affected entities to be provided in interim and annual financial statements. Effective 1 January 2024, the Intesa Sanpaolo Group, as a multinational group exceeding the revenue threshold of 750 million euro for at least two out of the previous four years, falls within the scope of Pillar Two taxes on income under Directive 2022/2523, which aims to ensure a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union. At 31 December 2023, the rule was not effective in any of the countries in which the Group operates. Consequently, no current taxes were recognised.

#### **RISKS RELATED TO THE NOTES**

The following risks relate to an investment in the Notes and references to the "Notes", a "Note", "Noteholder(s)" or "holder(s)" shall, with reference to a potential investor in the Notes, refer to such Notes or Note, or a holder or holders of such Note(s).

*The risks below have been classified into the following categories:*

*The Notes may not be a suitable investment for all investors;*

*Risks related to the general characteristics of the Notes;*

*Risks related to the structure of the Notes;*

*Risks related to the Additional Tier 1/subordinated nature of the Notes;*

*Risks related to the market.*

#### **The Notes may not be a suitable investment for all investors**

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

- (i) 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;
- (ii) 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;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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 with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Risks related to the general characteristics of the Notes**

#### ***Resolution Powers and contractual recognition of the BRRD***

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

Furthermore, Article 33a of 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.

In particular, by its acquisition of a Note (whether on issuance or in the secondary market), each holder of the Notes acknowledges, accepts, agrees to be bound by and consents to the exercise of any resolution power by a Relevant Authority that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or interest on, the Notes into equity or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes, to give effect to the exercise by a Relevant Authority of such resolution power. Each holder of the Notes acknowledges, accepts and agrees that its rights as a holder of the Notes are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any such power by any Relevant Authority. The exercise of the resolution power by the Relevant Authority will not constitute an event of default under the Notes.

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

Please refer to the paragraph “- *The Intesa Sanpaolo Group is subject to the provisions of the EU Recovery and Resolution Directive*” in “*Regulatory Section*” of the EMTN Base Prospectus incorporated by reference in this Prospectus.

### ***Modification and waivers***

The Agency Agreement and the Conditions contain provisions for calling Noteholders' meetings for matters that may affect their interests in general. These provisions allow the establishment of majorities that shall be binding on 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. Condition 15.2 (*Meetings of Noteholders; Modification and Waiver – Modification and waiver*) also provides that the Fiscal Agent and the Issuer may, without the consent of Noteholders, agree to any modification of the Notes, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer, is (a) to cure or correct any ambiguity or defective or inconsistent provision contained therein, or which is of a formal, minor or technical nature, or (b) not prejudicial to the interests of the Noteholders and/or Couponholders (provided the proposed modification does not relate to a matter in respect of which an Extraordinary Resolution would be required if a meeting of Noteholders were held to consider such modification), or (c) to correct a manifest error, or (d) to comply with mandatory provisions of law.

The Notes may also be amended without the consent of the Noteholders in order to effect any amendment under Condition 5.9 (*Benchmark Replacement*) due to the occurrence of a Benchmark Event. The Notes may furthermore be amended without the consent of the Noteholders in the circumstances described in “- *The Notes may be subject to modification without Noteholder consent*” below.

### ***Change of law***

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

### ***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 may 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.

*Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors who hold Notes through interests in the Global Notes will have to rely on their procedures for transfer, payment and communication with the Issuer*

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

#### *Notes have limited events of default and remedies*

The Event of Default, being events upon the occurrence of which the Notes shall become immediately due and payable, are limited to circumstances in which Intesa Sanpaolo becomes subject to compulsory winding-up (*liquidazione coatta amministrativa*) pursuant to Articles 80 and following of Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time (the “**Italian Banking Act**”) or voluntary winding-up (*liquidazione volontaria*) in accordance with Article 96-*quinquies* of the Italian Banking Act, otherwise than for the purposes of an Approved Reorganisation or on terms previously approved by the Noteholders, as set out in Condition 11 (*Enforcement Event*). Accordingly, other than following the occurrence of an Event of Default (and, for the avoidance of doubt, resolution proceeding(s) or *moratoria* imposed by a resolution authority in respect of the Issuer shall not constitute Events of Default for the Notes for any purpose), even if the Issuer fails to meet any of its obligations under the Notes, including the payment of any interest, or in case of the exercise of the Italian Bail-in Power by the Relevant Authority, the Noteholders will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Furthermore, investors should consider that the terms and conditions of the Notes do not provide for negative pledge provisions.

#### *Waiver of set-off*

In Condition 4.1(ii) (*Status and Subordination of the Notes – Status of the Notes – No Set-off Rights*), each holder of a Note or a Coupon unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Note or Coupon.



## **Risks related to the structure of the Notes**

### ***Risks relating to the governing law of the Notes***

The terms and conditions of the Notes are governed by Italian law and Condition 20 (*Governing Law and Jurisdiction*) provides that contractual and non-contractual obligations arising out or in connection with them are governed by, and shall be construed in accordance with, Italian law. The Global Notes representing the Notes provide that all contractual and non-contractual obligations arising out of, or in connection with, the Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law.

Article 59 of Law No. 218 of 31 May 1995 (the “**Italian Private International Law**”) provides that other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued. The Temporary Global Note and the Permanent Global Note representing the Notes will be signed by the Issuer in the United Kingdom and, thereafter, delivered to Deutsche Bank AG, London Branch as initial Fiscal Agent and Paying Agent, being the entity in charge of, *inter alia*, completing, authenticating and delivering the Temporary Global Note and Permanent Global Note and (if required) authenticating and delivering Definitive Notes.

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

### ***Integral multiples of less than €200,000***

The Notes are issued in denominations of €200,000 and integral multiples of €1,000 in excess thereof, up to (and including) €399,000. A Noteholder who, as a result of trading such amounts, holds a principal amount of less than €200,000 will not receive a definitive Note in respect of such holding (if definitive Notes are printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to at least such minimum denomination.

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

The Issuer reserves the right to issue securities counting as Additional Tier 1 capital in the future, provided, however, that any such obligations may not, in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer (for so long as they qualify as Additional Tier 1 capital), rank prior to the Notes (for so long as they qualify as Additional Tier 1 capital). The Conditions place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes. The issue of any such debt or securities may reduce the amount recoverable by investors of the Notes should the Issuer become insolvent. If the Issuer's financial condition were to deteriorate, the holders of the Notes could suffer direct and materially adverse consequences, including cancellation of interest and reduction of principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

### ***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 the 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. The Calculation Agent is a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst the Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by the Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

*The regulation and reform of "benchmarks" may adversely affect the value of 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 to be "benchmarks", are the subject of ongoing national and international regulatory discussions 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.

The EU Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. The EU Benchmarks Regulation applies, subject to certain conditions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) 2066/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "UK Benchmarks Regulation") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK. The EU Benchmarks Regulation and the UK Benchmarks Regulation, as applicable, may cause a benchmark to perform differently than it has done in the past or to be discontinued, including if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of such Benchmarks Regulation, and such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark". Any change in the performance of a benchmark or its discontinuation could have a material adverse effect on financial instruments referencing or linked to such benchmark, such as the Notes following the First Reset Date.

More broadly, any of the international, national reforms 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.

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 for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation or the UK Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark. It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past and may have other consequences which cannot be predicted. Such factors may

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

The Conditions provide that, if the Issuer determines that a Benchmark Event (as defined in the Conditions) has occurred, the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 5.9 (*Benchmark Replacement*)) and, if applicable, an Adjustment Spread. Please refer to Condition 2 (*Definitions and Interpretation*) for the full definition of a Benchmark Event. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in the Conditions shall apply. In certain circumstances (where the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page or where in the determination of the Issuer, operation of the provisions of Condition 5.8 (*Benchmark Replacement*)) could reasonably be expected to cause the occurrence of a Regulatory Event), the ultimate fallback for the purposes of calculation of interest for a particular 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 Successor Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Notes if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or adjustment spread, if applicable, with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or adjustment spread, if applicable, in a situation in which it is presented with a conflict of interest. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Notes may not do so and may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the 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.

#### ***Redemption for tax or regulatory reasons***

The Issuer's option to redeem the Notes for tax or regulatory 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. Pursuant to Condition 8.4 (*Redemption for tax reasons*), in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision thereof or any authority

therein or thereof having power to tax, or if the Issuer has lost or will lose the ability to deduct interest payable on the Notes from its taxable income, in each case, as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy, or any political subdivision or authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment (being - in the case of a redemption before five years after the Issue Date and if and to the extent then required under Applicable Banking Regulations - material and not reasonably foreseeable as of the Issue Date) 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 (but subject to the prior approval of the Relevant Authority) of the outstanding Notes in accordance with the Conditions. In addition, the Issuer may, at its option, redeem the Notes for regulatory reasons, as described in further detail in “ – *Regulatory classification of the Notes*” below.

In such circumstances 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 and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

The Notes will be redeemed at their Outstanding Principal Amount, together with any accrued but unpaid interest (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) 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 an early redemption of the Notes.

***The Issuer's right to redeem the Notes at its option may limit the market value of the Notes and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

The Issuer has an option to redeem the Notes on the First Reset Date and on each Interest Payment Date thereafter, pursuant to Condition 8.2 (*Redemption at the option of the Issuer*). The Notes are also redeemable at the option of the Issuer if there is a Regulatory Event, a Tax 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 8.3 (*Redemption due to a Regulatory Event*), Condition 8.4 (*Redemption for tax reasons*) and Condition 8.5 (*Clean-up Call Option*).

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

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 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 Notes will be redeemed at their Outstanding Principal Amount, together with any accrued but unpaid interest (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) 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 an early redemption of the Notes.

In respect of the Clean-up Call under Condition 8.5 (*Clean-up Call Option*), 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 from time to time, and the Issuer is entitled to exercise the option pursuant to Condition 8.5 (*Clean-up Call Option*) 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.

### **Risks related to the Additional Tier 1/subordinated nature of the Notes**

#### ***The Notes are deeply subordinated obligations***

If the event of compulsory winding up (*Liquidazione Coatta Amministrativa*) pursuant to Articles 80 and following of the Italian Banking Act or voluntary winding-up (*liquidazione volontaria*) in accordance with Article 96-quinquies of the Italian Banking Act of the Issuer otherwise than for the purpose of an Approved Reorganization or on terms previously approved by the Noteholders, the rights of the Noteholders will be subordinated to the payment in full by the Issuer of the holders of senior debt and all other unsubordinated creditors (including unsecured creditors) and any subordinated creditors that rank senior to the Notes. If this occurs, Intesa Sanpaolo may not have enough assets remaining after these payments to pay amounts due under the Notes. For a full description of the subordination provisions relating to Notes, see Condition 4.1 (*Status of the Notes*).

Italian Legislative Decree No. 193 of 8 November 2021 implementing 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 new 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 Capital (save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes), but junior to any instrument – previously recognised as own funds item – that is fully disqualified as own funds. See further Condition 4.1 (*Status of the Note*) of the Terms and Conditions of the Notes.

***The Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer or the Group, and may be affected by other actions taken under the BRRD***

Investors should be aware that, in addition to the general bail-in tool, the BRRD contemplates that the Notes may be subject to a write-down or conversion into common shares at the point of non-viability (“**non-viability loss absorption**”). Any shares issued to Noteholders upon any such conversion may also be subject to application of the general bail-in tool. The point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or its group will no longer be viable unless the relevant capital instruments (including the Notes) are written-down/converted or extraordinary public support is to be provided.

Resolution authorities furthermore have the power to amend or alter the maturity of certain debt instruments (such as the Notes) issued by an institution under resolution, amend the amount of interest payable under such instruments, the date on which the interest becomes payable (including by suspending payment for a temporary period) and to restrict the termination rights of holders of such instruments. The BRRD also provides for a Member State, after having assessed and exhausted the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support, to be provided to a solvent institution without triggering resolution, such as an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalisation, EU state aid rules require that shareholders and junior bondholders (such as the Noteholders) contribute to the costs of restructuring.

The BRRD is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The exercise of the general bail-in tool, non-viability loss absorption or other pre-resolution tools under the BRRD could result in the write-down of all (or a portion) of the principal amount of the Notes, and/or their conversion into equity or other securities or obligations, and/or a modification of the terms and conditions of the Notes, or otherwise contribute to the costs of restructuring in case of precautionary recapitalisation, in each case, under terms or in a manner that are less advantageous to the Noteholders. The exercise of any such power is distinct from, and may result in an outcome that is different from, the provisions for principal write-down under Condition 7 (*Loss Absorption Mechanism*) of the Conditions; and may furthermore result in the suspension or disapplication of interest payments under the Notes, independently from any cancellation of interest under Condition 6 (*Interest Cancellation*) of the Conditions. Any principal amount of the Notes so written down or converted, and any payment of interest so suspended or cancelled, would not constitute an event of default under the Conditions. The exercise of the general bail-in tool or, where applicable, the non-viability loss absorption with respect to the Notes, or the taking by the competent resolution authority of any other action under the BRRD (or any suggestion or anticipation of such exercise), could materially adversely affect the rights of the Noteholders, the price or the value of their investment in the Notes and the ability of the Issuer to satisfy its obligations under the Notes.

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.

See also the risk factor *“Risks related to the Notes generally – Resolution Powers and contractual recognition of the BRRD”* above and the paragraph *“- The Intesa Sanpaolo Group is subject to the provisions of the EU Bank Recovery and Resolution Directive”* in *“Regulatory Section”* of the EMTN Base Prospectus incorporated by reference in this Prospectus.

#### ***Regulatory classification of the Notes – The Notes may be redeemed after a Regulatory Event***

The intention of the Intesa Sanpaolo is for the Notes to qualify on issue as *“Additional Tier 1 Capital”*, for regulatory capital purposes. Although it is Intesa Sanpaolo'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 or that the Notes will be grandfathered under the implementation of future EU capital requirement regulations. If the Notes are not grandfathered, or for any other reason cease to qualify, as *“Additional Tier 1 Capital”*, the Issuer will have the right to redeem the Notes in accordance with Condition 8.3 (*Redemption due to a Regulatory Event*), subject to the prior approval of the Relevant Authority. 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. See also *“Early Redemption of the Notes may be restricted”* below.

#### ***Early redemption and repurchases 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 subject to and in accordance with Articles 77 and 78 of the CRR (as amended or replaced from time to time) provided that either of the following conditions is met, as applicable to the Notes:

- (a) on or before such redemption 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 would, following such redemption or repurchase, exceed the capital requirements laid down in the Applicable Banking Regulations by a margin that the Relevant Authority considers necessary.

In addition to the satisfying the condition listed in paragraphs (a) or (b) above, the rules under the CRR provide that the Relevant Authority may only permit the Issuer to redeem or repurchase the Notes before five years after the Issue Date of the Notes if and to the extent required under Article 78(4) of the CRR or the related implementing regulations, policies and guidelines:

- (i) on or before the relevant redemption or repurchase, the Issuer replaces the relevant 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
- (ii) in the case of redemption pursuant to Condition 8.4 (*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 of the Issue Date; or
- (iii) in case of redemption pursuant to Condition 8.3 (*Redemption due to a Regulatory Event*), 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 of the Issue Date; or
- (iv) in the case of a repurchase of Notes, the Notes are repurchased for market making purposes.

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) Additional Tier 1 instruments (including the Notes), in the limit of a predetermined amount, which shall not exceed the lower of: (1) 10% (or any other threshold as may be requested or required by the Relevant Authority from time to time) of the principal amount of the relevant issuance; or (2) 3% (or any other threshold as may be requested or required by the Relevant Authority from time to time) of the total amount of outstanding Additional Tier 1 instruments of the Issuer at the relevant time, subject to the criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at sub-paragraphs (a) and (b) above.

***The Notes may be subject to modification without Noteholder consent***

If at any time a Tax Event, Alignment Event or a Regulatory Event occurs and/or in order to ensure the effectiveness and enforceability of Condition 21 (*Acknowledgment of the Italian Bail-in Power*), then the Issuer may, subject to giving any notice required to, and receiving any consent required from, the Relevant Authority, if so required, (without any requirement for the consent or approval of the holders of the Notes), elect to modify the terms of all (but not only some) of the Notes so that they become or remain Qualifying Securities, *provided that* such variation does not itself give rise to any right of the Issuer to redeem the varied securities or otherwise provide the Issuer with a right of redemption pursuant to the provisions of the Notes. The Relevant Authority has discretion as to whether or not it will approve any variation of the Notes. Any such variation which is considered by the Relevant Authority to be material shall be treated by it as the issuance of a new instrument. Therefore, the Notes, as so varied, must be eligible as Additional Tier 1 Capital in accordance with then prevailing Applicable Banking Regulations, which may include a requirement that (save in certain prescribed circumstances) the Notes may not be redeemed or repurchased prior to five years after the effective date of such variation.



Qualifying Securities are securities issued directly by the Issuer that have terms not materially less favourable to the Noteholders, as reasonably determined by the Issuer, than the terms of the Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. Moreover, in respect of the effectiveness and enforceability of Condition 21 (*Acknowledgement of the Italian Bail-in Power*), the Qualifying Securities may have terms materially less favourable to a holder of the Notes, including but not limited to a change in governing law and/or to the jurisdiction and service of process provisions. Additionally, there may be material tax consequences for holders of the Notes as a result of such modification, and holders should consult their own tax advisors regarding such potential consequences.

***Interest payments on the Notes may be cancelled by the Issuer (in whole or in part) at any time and, in certain circumstances, the Issuer will be required to cancel such interest payments***

Interest on any 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. Furthermore, in accordance with Condition 6.2(i) and (ii) (*Restriction on interest payments*),

- 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 instruments (including any Additional Amounts in respect thereof but excluding - for the avoidance of doubt - any such distributions or interest payments on Tier 2 Capital 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 Instruments that have been written down, in each case paid and/or scheduled to be paid in the then current financial year;
- in circumstances where limitation on distributions by reference to Maximum Distributable Amount (as defined in the Conditions) 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 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 (including Article 16a of the BRRD and Article 10a of the SRM Regulation 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 on any Loss Absorbing Instruments that have been written down, where applicable - 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.

Although the Issuer may, in its sole discretion, elect to make a partial interest payment on the Notes on any Interest Payment Date, it may only do so to the extent that such partial interest payment may be made without breaching the restrictions in the preceding paragraphs.

Furthermore, in accordance with Condition 6.2.1(iii) (*Restriction on interest payments*), 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 (in whole or in part) scheduled to be paid.

In particular, the Relevant Authority has the power under Article 104(1)(i) of the CRD IV 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 when the Issuer or the Group is failing, or is expected to fail, its capital requirements. Also, in accordance with Article 63(j) of the BRRD, as amended, the Relevant Authority has the power to amend or alter the maturity of debt instruments and other bail-inable liabilities (such as the Notes) issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for secured liabilities. The Relevant Authority also has intervention powers under Articles 53-*bis*, paragraph (1)(d) and 67-*ter*, paragraph (1)(d) of the Italian Banking Act to impose requirements on credit institutions, the effect of which can be to restrict or prohibit payments of interest to holders of financial instruments computed in the institution's regulatory capital (such as the Notes), which intervention power is most likely to be exercised when a credit institution is failing, or is expected to fail, its capital or liquidity requirements. Under Article 45 of the BRRD, as amended by 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 104 of the CRD IV and therefore, the Relevant Authority's power to restrict or prohibit distributions or interest payments on Additional Tier 1 instruments such as the Notes. Under Article 141 of the CRD IV, 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. In addition, 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. MDA and M-MDA are calculated for each separate level of supervision. It follows that for the Issuer, the relevant restrictions

need to be calculated at both the Group consolidated level as well as at solo level, and distributions would (or could) be restricted accordingly.

Furthermore, Condition 6.5 (*Interest Amount in case of Write-Down*) provides that upon the occurrence of a Trigger Event (meaning, 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 5.125%), accrued and unpaid interest on the Write-Down Amount through to the Write-Down Effective Date shall be automatically cancelled and shall not be due and payable.

Cancelled interest on the Notes shall not be due and shall not accumulate or be payable at any time thereafter, and holders 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. Furthermore, no cancellation of interest in accordance with the terms of the Notes shall constitute a default in payment or otherwise under the Notes.

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, MDA or M-MDA described above, and the Issuer may pay dividends on its ordinary or preference shares notwithstanding such cancellation. If the Issuer does not make an interest payment on the Notes 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. The Issuer may without restriction use funds that could have been used to make such cancelled payments to meet its other obligations as they become due.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. Moreover, any indication or perceived indication, that the CET1 ratio of either the Issuer or the Group (as the case may be) is trending towards the minimum applicable combined buffer may 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.

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

The Issuer's ability to make interest payments under the Notes depends on the level of its Distributable Items which is determined by reference to the amount of the profits at the end of the last financial year plus any profits brought forward and available reserves. 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 equally with or senior to the Notes, as well as payments on instruments ranking junior to the Notes such as dividends on ordinary shares of the Issuer. Changes to accounting rules, allocations to reserves and other decisions by the Issuer that influence its profitability could also have an impact on the amount of Distributable Items.

The Issuer's ability to make interest payment on the Notes is furthermore limited in circumstances where the capital conservation measures contained in the Applicable Banking Regulations apply. In particular:

- an institution that fails to meet its combined buffer requirements is subject to restrictions on discretionary payments (including payments on Additional Tier 1 instruments such as the Notes) under Article 141 of the CRD IV (as amended), and may not distribute more than the MDA; and
- an institution that fails to meet its combined buffer requirement when considered in addition to its minimum requirement for own funds and eligible liabilities is subject to restrictions on discretionary payments (including payments on Additional Tier 1 instruments such as the Notes) under Article 16a of the BRRD and Article 10a of the SRB Regulation, and the resolution authority has the power to prohibit the institution from distributing more than the M-MDA.

Moreover, should the Issuer become a global systemically important institution (G-SII) in the future, it shall be subject to restrictions on distributions by reference to the leverage ratio related maximum distributable amount under Article 141b of the CRD IV (as amended), and in case of failure to meet the leverage ratio buffer requirement under Article 92(1a) of the CRR, may not distribute more than the leverage ratio related maximum distributable amount (“**L-MDA**”). It is also possible that the L-MDA (or a similar concept) will be extended to Other Systemically Important Institutions (O-SIIs), including the Issuer, in the future.

At the date of this Prospectus, Intesa meets its combined buffer requirements, including when considered in addition to its minimum requirement for own funds and eligible liabilities. Whether an institution shall be considered as failing to meet its combined buffer requirement depends on whether it has own funds in an amount and of the quality needed to meet the relevant capital requirements, including additional own fund requirements which are subject to fluctuations. The respective amount of the MDA, M-MDA and L-MDA are each calculated by reference to an institution’s interim/year-end profits not included in its CET1 capital *net of* any distribution of profits or discretionary payments, which amount is necessarily difficult to predict. The Issuer also has discretion to determine how to allocate the MDA, the M-MDA and, where applicable, the L-MDA, amongst different types of discretionary payments, and payments made earlier prior to any specific date will reduce the amount of the MDA, the M-MDA or, as applicable, L-MDA available for payments on the Notes on or after such date. The risk of a cancellation of interest payments under the Notes and limitations on the Issuer’s ability to reinstate principal following a Write-Down as a result of the operation of the aforementioned capital conservation measures is therefore difficult to predict.

These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit interest payments on the Notes, the reinstatement of the Outstanding Principal Amount following a Write-Down, and the ability of the Issuer to redeem and purchase the Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

***The principal amount of the Notes may be reduced to absorb losses***

If a Trigger Event has occurred, then the Issuer shall write down the Outstanding Principal Amount of each Note (in whole or in part, as applicable) by writing down such Outstanding Principal Amount (in whole or in part, as applicable) with effect as from the Write-Down Effective Date in accordance with the Write-Down Procedure (both as defined in the Conditions). Noteholders may lose all or some of their investment as a result of a write-down.

The Issuer’s current and future outstanding Junior Securities or Parity Securities (as defined in the Conditions) might not include in their contractual terms write-down or similar features with triggers comparable to those of the Notes. As a result, (without prejudice to the application of statutory loss absorption provisions) it is possible that the Notes will be subject to a write-down, while Junior Securities (including equity securities)

and/or Parity Securities remain outstanding and continue to receive payments and, as such, holders of the Notes may be subject to losses ahead of holders of Junior Securities (including equity securities) and/or Parity Securities. 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 equity conversion of other Loss Absorbing Instruments of the Issuer, to the extent that the write-down or equity conversion of such other instruments is not effective for any reason, such ineffectiveness shall not prejudice the Write-Down of the Notes; and any such write-down or equity conversion 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 other Loss Absorbing Instruments of the Issuer may result in an increase in the amount to be written down on the Notes.

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 zero, or below the smallest unit of the specified currency applicable to such Note (currently one cent).

In addition, in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer prior to the Notes being written up in full pursuant to a reinstatement, the Noteholders' claims for principal will be based on the reduced Outstanding Principal Amount of the Notes.

Reinstatement shall apply at the full discretion of the Issuer, provided that certain conditions are met. The Issuer's ability to write-up the Outstanding Principal Amount of the Notes will depend on there being positive net income, positive consolidated net income and a sufficient Maximum Distributable Amount (if applicable) (after taking into account reinstatement of all other written down Loss Absorbing Instruments of the Issuer and/or the Group constituting Additional Tier 1 Capital, payments of interests or distributions in respect of the Notes and of such written down instruments, and any other payments and distributions of the type contemplated in Article 141 of 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, including Article 16a of the BRRD, Article 10a of the SRM Regulation or, as the case may be, any provision of Italian law transposing or implementing such provisions, including Circular No. 285), and is subject to reinstatement limit by reference to the Maximum Reinstatement Amount. No assurance can be given that these conditions will be met. In addition, the Issuer will not in any circumstances be obliged to write up the Outstanding Principal Amount of the Notes, but, in accordance with the Applicable Banking Regulations, any write up must be undertaken on a *pro rata* basis with any other Additional Tier 1 instruments providing for a similar trigger and reinstatement mechanism of its principal amount in similar circumstances. See further Condition 7.2 (*Reinstatement*).

#### ***Noteholders will bear the risk of changes in the CET1 ratio***

The market price of the Notes is expected to be affected by changes in the CET1 Ratio. Changes in the CET1 Ratio may be caused by changes in the amount of CET1 Capital and/or Risk Weighted Assets, as well as changes to their respective definition and interpretation under the Applicable Banking Regulations.

The Issuer only publicly reports the CET1 Ratio quarterly as of the period end, and therefore during the quarterly period there is no published updating of the CET1 Ratio and there may be no prior warning of adverse changes in the CET1 Ratio. However, any indication of an adverse change in the CET1 Ratio may have an adverse effect on the market price of the Notes. A decline or perceived decline in the CET1 Ratio may significantly affect the trading price of the Notes.

In addition, 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.

***The circumstances surrounding a Trigger Event are unpredictable, and there are a number of factors that could affect the CET1 ratio***

The occurrence of a Trigger Event (as defined in the Conditions) is inherently unpredictable and depends on a number of factors, some of which may be outside the Issuer's control. The CET1 ratio may fluctuate during a quarterly period. The calculation of such ratio could be affected by one or more factors, including, among other things, changes in the mix of the Group's business, major events affecting the Group's earnings, dividend payments by the Issuer, regulatory changes (including changes to definitions and calculations of regulatory capital ratios and their components, including CET1 Capital and Risk Weighted Assets (as defined in the Conditions)) and the Group's ability to manage Risk Weighted Assets in both its ongoing businesses and those which it may seek to exit. In addition, the Group 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.

The calculation of the CET1 Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the Relevant Authority could require the Issuer to reflect such changes in any particular calculation of the CET1 Ratio.

Accordingly, accounting changes or regulatory 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 whether a Trigger Event occurs, it will be difficult to predict when, if at all, a write-down may occur. Accordingly, the trading behaviour of the Notes is not necessarily expected to follow the trading behaviours of other types of security. Any indication that a Trigger Event may occur can be expected to have a material adverse effect on the market price of the Notes.

***The CET1 ratio will be affected by the Issuer's business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the holders***

The CET1 Ratio will also depend on the Group's decisions relating to its businesses and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Group, including the capital position of the Issuer or the Group, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause holders to lose all or part of the value of their investment in the Notes.

***While the Notes are in global form, there may be a delay in reflecting any Write-Down or Reinstatement of the Notes in the clearing systems***

For as long as the Notes are in global form and in the event that any Write-Down or Reinstatement is required pursuant to the Conditions, the records of the clearing systems may not be immediately updated to reflect the

amount of Write-Down or Reinstatement and may continue to reflect the Outstanding Principal Amount of the Notes prior to such Write-Down or Reinstatement, for a period of time. The update process of the relevant clearing system may only be completed after the date on which the Write-Down or Reinstatement will occur. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records. Further, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Notes in global form will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### *Notes are of perpetual nature*

The Notes have no fixed final redemption date and holders have no rights 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, holders of the Notes should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

#### *The Notes may be traded with accrued interest, but the Issuer has full discretion to cancel, and in some circumstances, shall cancel, accrued interest*

The Notes may trade, and/or the prices for the Notes may appear, on the Official List of the Luxembourg Stock Exchange and in other trading systems with accrued interest. If this occurs, purchases 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 is cancelled (in whole or in part) pursuant to the Conditions and thus is not due and payable, purchasers of the Notes will not be entitled to that interest payment on the relevant Interest Payment Date. This may affect the value of any investment in the Notes.

#### **Risks related to the market**

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. 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. Instruments that are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

#### *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*

Investment in the Notes (which bear a fixed rate of interest to be reset on each Reset Date) involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

The Rate of Interest applicable to the Notes will be reset on every Reset Date. 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 date of issue of the Notes. The uncertainty regarding the future Rate of Interest of the Notes may adversely affect their yield.

#### *Credit ratings may not reflect all risks*

The Notes are rated by Moody's, S&P, Fitch and Morningstar DBRS, each of which is established in the European Union and is registered under the CRA Regulation as set out in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/credit-rating-agencies/risk>) in accordance with the CRA Regulation. The rating: (i) Moody's has given to the Notes is endorsed by Moody's Investors Service Ltd, (ii) S&P has given to the Notes is endorsed by S&P Global Ratings UK Limited, (iii) Fitch has given to the Notes is endorsed by Fitch Ratings Ltd, and (iv) Morningstar DBRS by DBRS Ratings Limited, each of which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Investors should be aware that:

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

Furthermore, in general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or the UK but is endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation or the UK CRA Regulation.



If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

***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.

## GENERAL OVERVIEW

This general overview must be read as an introduction to this Prospectus and is qualified in its entirety by reference to the more detailed information presented elsewhere in 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.

In this Prospectus, words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere have the same meanings when used in this general overview and references to a “Condition” is to such numbered condition in such Terms and Conditions.

<b>Issuer:</b>	Intesa Sanpaolo S.p.A.
<b>Issuer’s Legal Entity Identifier (LEI):</b>	2W8N8UU78PMDQKZENC08
<b>Joint Lead Managers:</b>	BofA Securities Europe SA, Barclays Bank Ireland PLC, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Continental Europe, Intesa Sanpaolo S.p.A., J.P. Morgan SE and Morgan Stanley & Co. International plc
<b>Co-Lead Managers:</b>	Banca Akros S.p.A., Eurobank SA and Piraeus Bank S.A.
<b>Principal amount:</b>	€1,000,000,000
<b>Issue price:</b>	100 per cent. of the principal amount of the Notes
<b>Issue date:</b>	20 May 2024
<b>Form and denomination:</b>	The Notes will be issued in bearer form in denominations of €200,000 and integral multiples of €1,000 in excess thereof, up to (and including) €399,000.
<b>Status of the Notes:</b>	<p>The Notes constitute and will constitute unsecured, subordinated obligations of the Issuer.</p> <p>In the event of the voluntary or involuntary liquidation or bankruptcy (including, <i>inter alia</i>, <i>Liquidazione Coatta Amministrativa</i>) of the Issuer (other than for the purpose of an Approved Reorganization), the rights of the holders of the Notes to payments of the then Outstanding Principal Amount (as reduced by any relevant Write-Down Amount in respect of a Trigger Event which has occurred but in respect of which the Write-Down Effective Date has not yet occurred, if any) of the Notes and any other amounts in respect of the Notes (including any accrued and uncanceled interest or damages awarded for breach of any obligations under the Conditions, if any are payable), will rank <i>pari passu</i> without any preference among the Notes and:</p> <p>(A) for so long as the Notes qualify, in whole or in part, as Additional Tier 1 Capital:</p>

- (i) at least *pari passu* with payments to holders of present or future outstanding Parity Securities of the Issuer;
  - (ii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer; and
  - (iii) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer (including senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*)), and (z) subordinated creditors of the Issuer in respect of Subordinated Indebtedness (other than Parity Securities and Junior Securities) including, without limitation, any subordinated notes qualifying as or intended to qualify as Tier 2 Capital and any subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*);
- (B) if and when the Notes cease to qualify, in their entirety, as Additional Tier 1 Capital and for so long as they qualify, in whole or in part, as Tier 2 Capital:
- (i) *pari passu* with payments to: (x) holders of present or future outstanding Tier 2 Capital of the Issuer, save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes; and (y) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with Tier 2 Capital;
  - (ii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer and any Additional Tier 1 Capital;
  - (iii) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer (including senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*)), and (z) creditors of the Issuer in respect of Subordinated Indebtedness which rank, or are expressed to rank, senior to Tier 2 Capital (including any subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*));

- (C) if and when the Notes do not qualify (or cease to qualify) in their entirety as Additional Tier 1 Capital and Tier 2 Capital:
- (i) at least *pari passu* with the Issuer's obligations in respect of any other subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*) and with all other Subordinated Indebtedness of the Issuer that have such ranking;
  - (ii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer and any other own fund items (*elementi di fondi propri*), including Additional Tier 1 Capital and Tier 2 Capital;
  - (iii) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer; (y) other unsubordinated creditors of the Issuer (including and senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*)), and (z) creditors of the Issuer in respect of Subordinated Indebtedness which rank, or are expressed to rank, senior to subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*).

**"Parity Securities"** means (i) any subordinated and undated debt instruments or securities of the Issuer, in each case which are recognized as Additional Tier 1 Capital of the Issuer, from time to time by the Relevant Authority and (ii) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with the Notes.

**"Junior Securities"** means (i) the share capital of the Issuer including its *azioni privilegiate*, ordinary shares and *azioni di risparmio*, (ii) any securities, instruments or obligations of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code) ranking, or expressed to rank, *pari passu* with the claims described under (i) above and/or junior to the Notes, and (iii) any securities issued by an institution within the Group (excluding the Issuer) which have the benefit of a guarantee or similar instrument from the Issuer ranking, or expressed to rank, *pari passu* with the claims described under (i) and (ii) above, and/or junior to the Notes.

**"Additional Tier 1"** and **"Additional Tier 1 Capital"** has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations.

“**Tier 2 Capital**” has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations.

**No fixed redemption:**

The Notes have no fixed redemption date. They shall become immediately due and payable only in case voluntary or involuntary winding up proceedings (excluding, for the avoidance of doubt, resolution proceedings or *moratoria* imposed by the resolution authority) are instituted in respect of the Issuer (other than for the purpose 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 16 May 2024 provide for the duration of the Issuer to expire on 31 December 2100, 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.

The Notes may not be redeemed at the option of the Issuer except in accordance with the provisions of Condition 8 (*Redemption and Purchase*). The Notes may not be redeemed at the option of the Noteholders.

**Interest:**

The Notes will bear interest at their Outstanding Principal Amount, on a non-cumulative basis subject to cancellation as described below, semi-annually in arrear on 20 May and 20 November in each year (each, an “**Interest Payment Date**”).

The rate of interest through to (and excluding) 20 May 2032 (the “**First Reset Date**”) will be 7.000 per cent. per annum. The rate of interest will be reset on the First Reset Date and on each 5-year anniversary thereafter (each, a “**Reset Date**”).

“**Outstanding Principal Amount**” means, in respect of a Note on any date, the principal amount of such Note as of the Issue Date (the “**Original Principal Amount**”) as reduced from time to time (on one or more occasions) pursuant to a write-down and/or reinstated from time to time (on one or more occasions) pursuant to a Reinstatement in each case on or prior to such date, in each case pursuant to Condition 7 (*Loss Absorption Mechanism*).

**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 paid 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 furthermore 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 an interest payment on the Notes on any Interest Payment Date if and to the extent that the Relevant Authority orders the Issuer to cancel the relevant interest payment. See further Condition 6.2 (*Restriction on interest payments*).

**"Distributable Items"** at any time, shall have the meaning assigned to such term in CRR as interpreted and applied in accordance with the 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 Parity Securities and Junior Securities constituting Own Funds instruments".

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

**Non-cumulative interest:**

Interest on the Notes will only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with Condition 6.1 (*Discretionary interest payments*) or Condition 6.2 (*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 (*Enforcement Event*), 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/Reinstatement:**

Following a write-down of the Notes pursuant to Condition 7 (*Loss Absorption Mechanism*), holders of the Notes will not have any rights against the Issuer with respect to the payment of interest on any principal amount that has been so written down (without prejudice to any rights as to reinstatement as may be applicable to the Notes), and interest on the Write-Down Amount for the Interest Period ending on the Interest Payment Date following such write-down shall be deemed to have been cancelled. Furthermore, interest - otherwise due and payable on an Interest Payment Date - on any principal amount that is to be written down on a date that falls after such Interest Payment Date as a result of a Trigger Event that has occurred prior to such Interest Payment Date will also be automatically cancelled, all as described in Condition 6.5 (*Interest Amount in case of Write-Down*).

In the event that one or more Reinstatement(s) occur(s) during an Interest Period, any Interest Amount payable on the Interest Payment Date immediately following such Reinstatement(s) shall be calculated in a manner such that interest shall begin to accrue on the reinstated principal amount of the Notes from time to time, and shall become payable subject to the Conditions, as from the date of each such reinstatement. See further Condition 6.6 (*Interest Amount in case of Reinstatement*).

**Write-down upon Trigger Event:**

If a Trigger Event has occurred at any time, then the Issuer shall write down the Outstanding Principal Amount of the Notes, on a *pro rata* basis with the write-down or conversion of other Loss Absorbing Instruments, by the relevant Write-Down Amount, as described in Condition 7.1 (*Write-down*).

“**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 and, for the avoidance of doubt, on the basis that, save as specified in the definition of “Risk Weighted Assets”, all measures used in such calculation shall be calculated applying the applicable transitional provisions under the Applicable Banking Regulations.

“**Loss Absorbing Instrument**” means at any time any instrument (other than the Notes) issued directly or indirectly by the Issuer which at such time (i) qualifies as Additional Tier 1 Capital of the Issuer and (ii) which is subject to utilization and conversion into equity or utilization and write-down (as applicable) of the Outstanding Principal Amount thereof (in accordance with its terms or otherwise)

on the occurrence, or as a result, of the CET1 Ratio falling below a specified level.

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%.

“**Write-Down Amount**” means the amount by which the Outstanding Principal Amount of each Note is to be written down with effect as from the Write-Down Effective Date, which shall be:

- (i) the amount (together with the write-down on a *pro rata* basis of the other Notes and any utilization and conversion into equity or utilization and write-down, on a *pro rata* basis, of other Loss Absorbing Instruments that fell below the applicable trigger level of such instrument) that would be sufficient to restore the CET1 Ratio of both the Issuer and the Group to the Trigger Level, as applicable; or
- (ii) if that write-down (together with the write-down on a *pro rata* basis of the other Notes of the same series and any utilization and conversion into equity or utilization and write-down, on a *pro rata* basis, of any other Loss Absorbing Instruments that fell below the applicable trigger level of such instrument) would be insufficient to restore the CET1 Ratio to the Trigger Level, or the CET1 Ratio is not capable of being so restored, 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,

provided that, for the avoidance of doubt, with respect to any other Higher Trigger Loss Absorbing Instruments, such *pro rata* write-down or conversion shall only be taken into account to the extent required to restore the CET1 Ratio to the Trigger Level; and

provided further that any Loss Absorbing Instrument that may be written down or converted to equity in full but not in part (save for any one cent floor) shall be treated as if its terms permitted partial write-down or conversion into equity, only for the purposes of determining the relevant *pro rata* amounts in the operation of write-down and calculation of the Write-Down Amount.



**Reinstatement:**

If a positive Net Income and a positive Consolidated Net Income is recorded at any time while the Outstanding Principal Amount of the Notes is less than their Original Principal Amount, the Issuer may, at its sole and absolute discretion, reinstate and write up the Outstanding Principal Amount of the Notes on a *pro rata* basis (based on the then prevailing Outstanding Principal Amount thereof) with other Equal Trigger Temporary Written Down Instruments, subject to compliance with the reinstatement limit pursuant to applicable banking regulations, on the terms and subject to the conditions set out in Condition 7.2 (*Reinstatement*).

In particular, in circumstances where limitation on distributions by reference to Maximum Distributable Amount applies, any reinstatement of the Notes shall - when aggregated together with the reinstatement of the Outstanding Principal Amount of all other written down Loss Absorbing Instruments of the Issuer and/or the Group constituting Additional Tier 1 Capital, payments of interest or distributions in respect of the Notes and of such written down instruments and any other distributions of the kind referred to in Article 141 of 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 any provision of Italian law transposing or implementing such provisions, including Circular No. 285) - be limited to the extent necessary to ensure the Maximum Distributable Amount then applicable to the Issuer and/or the Group is not exceeded thereby. The amount by which the Outstanding Principal Amount of each Note is to be reinstated is furthermore subject to limitations by reference to the Maximum Reinstatement Amount. See further the paragraph headed "*Reinstatement Amount*" in Condition 7.2 (*Reinstatement*).

**Redemption at the option of the Issuer:**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to the prior approval of the Relevant Authority, on any Optional Redemption Date (Call) at their Outstanding Principal Amount together with interest accrued (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) up to, but excluding, the date fixed for redemption and any additional amounts due pursuant to Condition 10 (*Taxation*), as described in Condition 8.2 (*Redemption at the option of the Issuer*).

"**Optional Redemption Date (Call)**" means the First Reset Date and any Interest Payment Date thereafter.

**Redemption due to a Regulatory Event:**

The Issuer may, at its option, redeem the Notes in whole, but not in part, subject to the prior approval of the Relevant Authority, following the occurrence of a Regulatory Event, at their Outstanding Principal Amount together with interest accrued (if any and

excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*) up to, but excluding, the date fixed for redemption and any additional amounts due pursuant to Condition 10 (*Taxation*), as described in Condition 8.3 (*Redemption due to a Regulatory Event*).

“**Regulatory Event**” is deemed to have occurred if there is a change (or pending change which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes from the classification as of the Issue Date that would be likely to result in their exclusion in whole or (to the extent permitted by Applicable Banking Regulations) in part, from Additional Tier 1 Capital of the Issuer and/or the Group or a reclassification as a lower quality form of Own Funds (save where the exclusion from Additional Tier 1 Capital of the Issuer is solely a result of any applicable limitation on the amount of such capital in accordance with Applicable Banking Regulations in force as at the Issue Date) and, prior to the fifth anniversary of the Issue Date, if and to the extent then required under Applicable Banking Regulations, both of the following conditions are met: (i) the Relevant Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Authority that the change in regulatory classification of the Notes was not reasonably foreseeable as of the Issue Date.

**Redemption for tax reasons:**

The Issuer may, at its option, redeem the Notes in whole or in part (but subject to the prior approval of the Relevant Authority) at any time if:

- (i) the Issuer (a) has or will become obliged to pay additional amounts on the occasion of the next payment of interest due in respect of the Notes as provided or referred to in Condition 10 (*Taxation*) or (b) has lost or will lose the ability to deduct the interest payable on the Notes from its taxable income, as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy, or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment (such change or amendment, prior to the fifth anniversary of the Issue Date, if and to the extent then required under Applicable Banking Regulations, being material and not reasonably foreseeable at the Issue Date as shall be demonstrated by the Issuer to the satisfaction of the Relevant Authority) becomes effective on or after the Issue Date; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

at their Outstanding Principal Amount together with interest accrued (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) up to, but excluding, the date fixed for redemption and any additional amounts due pursuant to Condition 10 (*Taxation*), as described in Condition 8.4 (*Redemption for tax reasons*).

#### **Clean-up Call**

The Issuer may, at its option, redeem the Notes in whole or in part (but subject to the prior approval of the Relevant Authority) at any time 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, at their Outstanding Principal Amount together with interest accrued (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) up to, but excluding, the date fixed for redemption and any additional amounts due pursuant to Condition 10 (*Taxation*), as described in Condition 8.5 (*Clean-up Call Option*).

#### **Conditions to redemption and purchase:**

Any redemption or purchase of the Notes is subject to compliance with the then Applicable Banking Regulations, including:

- (i) the Issuer having obtained the prior approval of the Relevant Authority in accordance with Articles 77 and 78 of the CRR, where either:
  - (a) on or before such redemption or purchase, the Issuer replaces the relevant Notes with own funds instruments of an 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, if applicable, eligible liabilities would, following the redemption or purchase, exceed the requirements laid down in the Applicable Banking Regulations by a margin that the Relevant Authority considers necessary; **and**
- (ii) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date, if and to the extent required under Article 78(4) of the CRR or the CRD IV Capital Instruments Regulation:
  - (A) on or before the relevant call, redemption, repayment or repurchase, the Issuer replaces the relevant Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for income capacity of the Issuer 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; *and*

- (B) in the case of redemption pursuant to Condition 8.4 (*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
- (C) in case of redemption pursuant to Condition 8.3 (*Redemption due to a Regulatory Event*), the Relevant Authority considers the change in regulatory classification to be sufficiently certain and 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) in the case of a repurchase of Notes, the Notes are repurchased for market making purposes,

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

**Redemption and Trigger Event:**

The Issuer shall not give any redemption notice in accordance with the provisions of Condition 8.2 (*Redemption at the option of the Issuer*), Condition 8.3 (*Redemption due to a Regulatory Event*), Condition 8.4 (*Redemption for tax reasons*) or Condition 8.5 (*Clean-up Call Option*) after a Trigger Event occurs and has not been remedied. Furthermore, if the Issuer has elected to redeem the Notes in accordance with Condition 8.2 (*Redemption at the option of the Issuer*), Condition 8.3 (*Redemption due to a Regulatory Event*), Condition 8.4 (*Redemption for tax reasons*) or Condition 8.5 (*Clean-up Call Option*) 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 write-down shall apply in accordance with Condition 7 (*Loss Absorption Mechanism*).

**Modification following a Regulatory Event, Alignment Event or a Tax Event, or to ensure the effectiveness or enforceability of bail-in:**

If at any time a Tax Event, Alignment Event or a Regulatory Event occurs, or in order to ensure the effectiveness or enforceability of Condition 21 (*Acknowledgement of the Italian Bail-in Power*), then the Issuer may (without any requirement for the consent or approval of Noteholders), subject to giving any notice required to, and receiving any consent required from, the Relevant Authority (if so required),

vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities, as described in Condition 15.3 (*Modification following a Regulatory Event, Alignment Event or a Tax Event, or to ensure the effectiveness or enforceability of bail-in*).

**Taxation:**

All payments of principal and interest in respect of the Notes and the Coupons will be made free and clear of, and without withholding or deduction for, taxes imposed by the Republic of Italy, unless such a withholding or deduction is required by law. In that event, the Issuer will (to the extent that such payment can be made out of the Distributable Items and if permitted by Applicable Banking Regulations), subject as provided in Condition 10 (*Taxation*), pay Additional Amounts on interests (but not on principal) as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required.

However, in certain circumstances and as more fully set out in Condition 10 (*Taxation*), the Issuer shall not be liable to pay any Additional Amounts to Noteholders and Couponholders with respect to any payment, withholding or deduction pursuant to Legislative Decree No. 239 of 1 April 1996 on account of Italian substitute tax (*imposta sostitutiva*).

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by Italian law.

**Acknowledgement of the Italian Bail-In Power:**

By its acquisition of the Notes each holder acknowledges, accepts, consents to and agrees to be bound by: (a) the effects of the exercise of the Italian 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 the 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 becomes 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 Italian Bail-in Power by the Relevant Authority.

**Listing and Trading:**

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the Professional Segment of its Regulated Market.

**Rating:**

The Notes are expected to be rated “Ba3” by Moody’s, “BB-” by S&P, “BB-” by Fitch and “BBL” by Morningstar DBRS.

The rating: (i) Moody's has given to the Notes is endorsed by Moody's Investors Service Ltd, (ii) S&P has given to the Notes is endorsed by S&P Global Ratings UK Limited, (iii) Fitch has given to the Notes is endorsed by Fitch Ratings Ltd, and (iv) Morningstar DBRS by DBRS Ratings Limited, each of which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation"). **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 organisation.**

**Selling restrictions:**

For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States of America, the United Kingdom, Italy, Luxembourg, Hong Kong, China, Singapore, Japan and France, see “*Subscription and Sale*” below.

**Clearing systems:**

Euroclear and Clearstream, Luxembourg.

**ISIN/Common code:**

XS2824056522/282405652

## INFORMATION INCORPORATED BY REFERENCE

The following information, which has previously been published and filed with the CSSF, is incorporated in, and forms part of, this Prospectus, each to the extent specified in the cross-reference list further below:

- (i) the English translation of the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2022 (the “**Intesa Sanpaolo Group 2022 Annual Report**” or the “**2022 Annual Report**”), to the extent of those pages specified in the cross-reference list further below, available at [https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2022/2022\\_Annual\\_report.pdf](https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2022/2022_Annual_report.pdf);
- (ii) the English translation of the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2023 (the “**Intesa Sanpaolo Group 2023 Annual Report**” or the “**2023 Annual Report**”), to the extent of those pages specified in the cross-reference list further below, available at [https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2023/2023\\_Annual\\_report.pdf](https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2023/2023_Annual_report.pdf);
- (iii) the press release dated 24 April 2024 entitled “*Intesa Sanpaolo: Shareholders’ Meeting*” in relation to the ordinary and extraordinary shareholders’ meeting of Intesa Sanpaolo (the “**24 April 2024 press release**”);
- (iv) the press release dated 3 May 2024 announcing the Intesa Sanpaolo Group’s consolidated results as at 31 March 2024 (the “**Intesa Sanpaolo Group 2024 1Q consolidated results press release**”), to the extent of those pages specified in the cross-reference list further below, available at [https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/comunicati-stampa-en/2024/05/20240503\\_Ris1Q24\\_uk.pdf](https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/comunicati-stampa-en/2024/05/20240503_Ris1Q24_uk.pdf);
- (v) the “*Description of Intesa Sanpaolo S.p.A.*” and “*Regulatory Section*” sections of the €70,000,000,000 Euro Medium Term Note Programme base prospectus dated 21 December 2023 (the “**EMTN Base Prospectus**”), to the extent of those pages specified in the cross-reference list further below, available at [https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/Contenuti/RISORSE/Documenti%20PDF/prosp\\_programma\\_MTN/20232212\\_EMTN\\_Programme\\_Update\\_2023\\_Base\\_Prospectus.pdf](https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/Contenuti/RISORSE/Documenti%20PDF/prosp_programma_MTN/20232212_EMTN_Programme_Update_2023_Base_Prospectus.pdf).

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

This Prospectus will be available, in electronic format, on the website of the Luxembourg Stock Exchange (<https://www.luxse.com>) and at the following website:

<https://group.intesasanpaolo.com/en/investor-relations/prospectus/international-issue-documents/perpetual-subordinated-notes>.

Only information present in the cross-reference list is incorporated by reference in this Prospectus. Any information contained in or incorporated by reference in any of the documents specified above that is not

included in the cross-reference list in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference in this Prospectus, information contained on the website does not form part of this Prospectus.

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).

Intesa Sanpaolo declares that the English translation of the consolidated financial statements incorporated by reference in this Prospectus is an accurate and not misleading translation in all material respect of the Italian language version of the consolidated financial statements. Intesa Sanpaolo takes responsibility for the accuracy of such translations.



## Cross reference list

The following table shows where the items of information required under Article 19(2) of the Prospectus Regulation can be found in the above-mentioned documents.

<i>The Intesa Sanpaolo Group 2022 Annual Report</i>	<i>Page number(s)</i>
<b>Intesa Sanpaolo Group Consolidated financial statements</b>	
Consolidated balance sheet .....	200-201
Consolidated income statement .....	202
Statement of consolidated comprehensive income .....	203
Changes in consolidated shareholders' equity .....	204-205
Consolidated statement of cash flows .....	206
Notes to the consolidated financial statements .....	209-615
- Part A – Accounting policies .....	209-300
- Part B – Information on the consolidated balance sheet .....	301-389
- Part C – Information on the consolidated income statement .....	390-412
- Part D – Consolidated comprehensive income .....	413
- Part E – Information on risks and relative hedging policies .....	414-581
- Part F – Information on consolidated capital .....	582-586
- Part G – Business combinations.....	587-594
- Part H – Information on compensation and transactions with related parties .....	595-600
- Part I – Share-based payments.....	601-606
- Part L – Segment reporting .....	607-610
- Part M – Disclosure of leases.....	611-615
Certification of the consolidated financial statements pursuant to Art. 154 bis of Legislative Decree 58/1998 .....	617
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<i>The Intesa Sanpaolo Group 2023 Annual Report</i>	<i>Page number(s)</i>
<b>Report on Operations</b>	
- Income statement figures and alternative performance measures .....	22-23
- Balance sheet figures and alternative performance measures .....	24
- Alternative performance measures and other measures .....	25-27
- Overview of 2023	
- Economic trends .....	28
- Consolidated results of Intesa Sanpaolo .....	29-36
- Highlights .....	36-46
- The military conflict between Russia and Ukraine .....	36-39
- Other highlights .....	39-46
- The 2022-2025 Business Plan .....	46-50
- The macroeconomic context and the banking system .....	67-70
- Economic results and balance sheet aggregates .....	71-109
- Breakdown of consolidated results by business area and geographical area .....	111-145
- Corporate Governance and remuneration policies .....	147-161
- Intesa Sanpaolo shares .....	163-168
- Alternative Performance Measures and Other information .....	169-176
<b>Intesa Sanpaolo Group Consolidated financial statements</b>	
Consolidated balance sheet .....	182-183
Consolidated income statement .....	184
Statement of consolidated comprehensive income .....	185
Changes in consolidated shareholders' equity .....	186-187

Consolidated statement of cash flows .....	188
Notes to the consolidated financial statements .....	189-617
– Part A – Accounting policies .....	191-288
– Part B – Information on the consolidated balance sheet .....	289-396
– Part C – Information on the consolidated income statement .....	397-425
– Part D – Consolidated comprehensive income .....	426
– Part E – Information on risks and relative hedging policies .....	427-591
– Part F – Information on consolidated capital .....	592-595
– Part G – Business combinations.....	596-599
– Part H – Information on compensation and transactions with related parties .....	600-605
– Part I – Share-based payments.....	606-609
– Part L – Segment reporting .....	610-613
– Part M – Disclosure of leases.....	614-617
Certification of the consolidated financial statements pursuant to Art. 154 bis of Legislative Decree 58/1998 .....	619
Independent Auditors' Report on the consolidated financial statements .....	621-630
Attachments to the Consolidated Financial Statements .....	631-663

<b><i>The Intesa Sanpaolo Group 2024 1Q consolidated results press release</i></b>	<b><i>Page number(s)</i></b>
Reclassified consolidated statement of income	25
Quarterly development of the reclassified consolidated statement of income	26
Reclassified consolidated balance sheet	27
Quarterly development of the reclassified consolidated balance sheet	28
Breakdown of financial highlights by business area	29

<b><i>24 April 2024 press release</i></b>	<b><i>All</i></b>
Press release entitled “Intesa Sanpaolo: Shareholders’ Meeting”	

<b><i>EMTN Base Prospectus</i></b>	<b><i>Page number(s)</i></b>
Description of Intesa Sanpaolo S.p.A.	
– History and Organisation of the Group .....	289-290
– Legal Status .....	290
– Registered Office .....	290
– Website .....	290
– Intesa Sanpaolo mission .....	290
– Ratings .....	290
– Intesa Sanpaolo in the last two years (1)	
o Intesa Sanpaolo in 2022 – Highlights .....	292-297
o Intesa Sanpaolo in 2023 – Highlights .....	298-303
– Recent Events (2).....	303-304
– Management.....	304-306
– Conflicts of Interest.....	306
Regulatory Section .....	330-347
(1) see also the paragraph “Other highlights” in “Report on operations” of the 2023 Annual Report (pages 39-46), incorporated by reference in this Prospectus.	
(2) see also “Description of the Issuer – Recent Events”.	

The following table sets out where information relating to the Issuer required under item 4 (*Information about the Issuer*), item 6 (*Organisational structure*), item 9 (*Administrative, Management and Supervisory Bodies*) and item 11.3 (*Legal and arbitration proceedings*) of Annex 7 of the Prospectus Commission Delegated Regulation can be found.

#### 4. INFORMATION ABOUT THE ISSUER

##### 4.1 History and development of the Issuer:

4.1.1. the legal and commercial name of the issuer;

Paragraph headed "*History and Organisation of the Group*" in the "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (pages 289-290), incorporated by reference in this Prospectus.

4.1.3. the date of incorporation and the length of life of the issuer, except where the period is indefinite;

Paragraph headed "*History and Organisation of the Group – Legal Status*" in the "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (page 290), incorporated by reference in this Prospectus.

4.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus

Paragraphs headed "*Legal Status*", "*Registered Office*" and "*Website*" in the "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (pages 290), incorporated by reference in this Prospectus.

Disclaimer that the information on the website does not form part of the prospectus is in paragraph headed "*Websites*" (last paragraph on page 5) of this Prospectus.

4.1.5. any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency

Paragraph headed "*Recent Events*" in the "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (pages 303-304), incorporated by reference in this Prospectus. See also paragraph headed "*Recent Events*" (pages 109) in the "*Description of the Issuer*" section of this Prospectus.

4.1.6 Credit ratings assigned to the issuer at the request or with the cooperation of the issuer in the rating process.

Paragraph headed "*Ratings*" in the "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (page 290) incorporated by reference in this Prospectus. See also paragraph headed "*Rating of the Notes*" in the "*General Information*" section (pages 130-131) in this Prospectus.

#### 6. ORGANISATIONAL STRUCTURE

6.1 If the issuer is part of a group, a brief description of the group and of the issuer's position within it. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.

Paragraph headed "*Legal status*" in the "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (page 291), incorporated by reference in this Prospectus. See also the paragraph under the heading "*Organisational structure of the Divisions as at 24 April 2024*" in the section headed "*Description of the Issuer*" (page 106) of this Prospectus.

#### 9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

9.1 Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them

Paragraph headed "*Management - Board of Directors*" in "*Description of Intesa Sanpaolo S.p.A.*" section of the EMTN Base Prospectus (pages 304-306), incorporated by reference in this Prospectus.

outside of that issuer where these are significant with respect to that issuer:

- (a) members of the administrative, management or supervisory bodies;
- (b) partners with unlimited liability, in the case of a limited partnership with a share capital.

### **11.3 LEGAL AND ARBITRATION PROCEEDINGS**

- 11.3.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

Paragraphs headed "*Legal Risks*" and "*Tax litigation*" in Part E (*Information on risks and relative hedging policies*) (pages 561-579) of the Annual Report, incorporated by reference in this Prospectus.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Overview of Provisions Relating to the Notes While in Global Form" below.

### 1. INTRODUCTION

- 1.1 The issue of the €1,000,000,000 7.000% Additional Tier 1 Notes (the "Notes") issued by Intesa Sanpaolo S.p.A. (the "Issuer" or "Intesa Sanpaolo") was authorised by a resolution of the board of directors of the Issuer passed on 6 February 2024.
- 1.2 The Notes are the subject of a fiscal agency agreement dated 20 May 2024 (as amended or supplemented from time to time, the "Agency Agreement") between the Issuer, Deutsche Bank AG, London Branch, as fiscal agent (the "Fiscal Agent", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "Paying Agents", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- 1.3 The Issuer has appointed Deutsche Bank AG, London Branch to act as calculation agent (the "Calculation Agent", which expression includes any successor calculation agent appointed from time to time in connection with the Notes and together with the Fiscal Agent and the Paying Agents, the "Agents" and each, an "Agent").
- 1.4 Certain provisions of these Conditions are a summary of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "Noteholders") and the holders of the related interest coupons (the "Couponholders" and the "Coupons", respectively) and talons for further Coupons ("Talons") which form part of each Coupon sheet of the Notes, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. DEFINITIONS AND INTERPRETATION

#### 2.1 Definitions

In these Conditions the following expressions have the following meanings:

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

- (i) the annual mid-swap rate for euro swap transactions with a term of five (5) years commencing on the relevant Reset Date, expressed as a percentage, which appears on the Relevant Screen Page as of 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date; or
- (ii) if such rate does not appear on the Relevant Screen Page at such time on such Reset Rate of Interest Determination Date, the Reset Reference Bank Rate determined in accordance with Condition 5.8 (*Fallbacks*) on such Reset Rate of Interest Determination Date;

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

- (i) has a term of five (5) years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg (calculated on an Actual/360-day count basis) based on EURIBOR (the **“Mid-Swap Floating Leg Benchmark Rate”**) for a six (6) month period (**“EURIBOR 6-month”**). EURIBOR 6-month shall – subject to Condition 5.9 (*Benchmark Replacement*) – be (x) 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 Rate of Interest Determination Date; or (y) if such rate does not appear on the Relevant Screen Page at such time on such Reset Rate of Interest 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 Rate of Interest 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 quotation(s) of such rate(s) provided to the Calculation Agent by the principal Eurozone office of each such major bank;

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

**“Additional Amounts”** has the meaning given in Condition 10.1 (*Taxation – Gross up*);

**“Additional Tier 1”** and **“Additional Tier 1 Capital”** has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations;

**“Adjustment Spread”** means either a spread (which may be positive or negative or zero) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the Successor Rate or the Alternative Benchmark Rate (as applicable), as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which is notified by the Issuer to the Fiscal Agent and Calculation Agent as being: (i) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or (ii) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the independent Adviser and acting in good faith, determines and notifies the Fiscal Agent and the Calculation Agent to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable);

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 applicable to the Issuer or the Group (including any applicable transitional provisions) including, without limitation, the BRRD, the BRRD Implementing Decrees, the CRD IV Package, the CRD IV Capital Instruments Regulations, Circular No. 285, 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 (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 of the institutions of the European Union;

**“Approved Reorganization”** 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;

**“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 ratio, 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;

**“Benchmark Event”** means: (i) the Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or (ii) a public statement by the administrator of the Reference Rate that it has ceased, or will cease, publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or (iii) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate has been or will be permanently or indefinitely discontinued; or (iv) a public statement by the supervisor of the administrator of the Reference Rate that means that the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or (v) a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, the Reference Rate is no longer representative of an underlying market; or (vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Reference Rate (including, without limitation, under the BMR, if applicable), provided that a change of the Reference Rate methodology does not constitute a Benchmark Event. In the event of a change in the formula and/or (mathematical or other) methodology used to measure the Relevant Benchmark, reference shall be made to the Reference Rate based on the formula and/or methodology as changed;

“**BMR**” means Regulation (EU) 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 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 and 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);

“**Beneficial Owner**” means any Person owning any beneficial interest in the Notes; it being understood that the term “Beneficial Owner” shall not include any agent or financial intermediary holding an interest in the Notes solely to the extent such interest is held for or on behalf of any Beneficial Owner;

“**Business Day**” means a TARGET Settlement Day;

“**Calculation Agent**” shall have the meaning attributed thereto in Condition 1.3;

“**CET1 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 Article 50 of the CRR complemented by the applicable transitional provisions under the Applicable Banking Regulations, 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 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 and, for the avoidance of doubt, on the basis that, save as specified in the definition of “Risk Weighted Assets”, all measures used in such calculation shall be calculated applying the applicable transitional provisions under the Applicable Banking Regulations;

“**Circular No. 285**” means Bank of Italy Circular No. 285 of 17 December 2013, as amended, supplemented and integrated from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law);

“**Consolidated Net Income**” means the consolidated net income of the Group as calculated on a statutory basis and as set out in the most recently published audited annual consolidated financial statements after such financial statements have been formally determined by the board of directors;

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

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



**“CRD IV Capital Instruments Regulations”** means the Delegated Regulation and any other regulatory capital rules or regulations introduced by the Relevant Authority or which are otherwise applicable to the Issuer (on a solo or consolidated basis) or the Group, 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 (on a non-consolidated or consolidated basis) to the extent required by (i) the CRD IV or (ii) the CRR;

**“CRD IV Package”** means, jointly, CRR, CRD IV, and CRD IV Capital Instruments Regulations;

**“CRR”** means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 setting out prudential requirements for credit institutions and investment firms, as amended 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 for any period of time (the **“Calculation Period”**), **“Actual/Actual (ICMA)”** which means:

- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
  - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

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

**“Distributable Items”** at any time, shall have the meaning assigned to such term in CRR as interpreted and applied in accordance with the 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 Parity Securities and Junior Securities constituting Own Funds instruments”;

**“Equal Trigger Loss Absorbing Instrument”** means a Loss Absorbing Instrument that is, or has been, subject to utilization and conversion or utilization and write-down at the Trigger Level;

**“Equal Trigger Temporary Written Down Instruments”** means an Equal Trigger Loss Absorbing Instrument that is, or has been, subject to utilization and write-down on a temporary basis and has an Outstanding Principal Amount that is lower than its Original Principal Amount;

“**Euro-zone**” means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Event of Default**” has the meaning specified in Condition 11 (*Enforcement Event*);

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**First Reset Date**” means 20 May 2032;

“**Group**” means the Issuer and its Subsidiaries;

“**Higher Trigger Loss Absorbing Instrument**” means a Loss Absorbing Instrument that is, or has been, subject to utilization and conversion into equity or utilization and write-down at a CET1 Ratio that is higher than the Trigger Level;

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense which, for the avoidance of doubt, will not be the Fiscal Agent;

“**Initial Interest Period**” means the period starting on the Interest Commencement Date until (but excluding) the First Reset Date;

“**Initial Rate of Interest**” has the meaning given to such term in Condition 5.2 (*Interest to (but excluding) the First Reset Date*);

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes;

“**Interest Payment Date**” means 20 May and 20 November in each year from (and including) 20 November 2024;

“**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;

“**Issue Date**” means 20 May 2024;

“**Italian Bail-in Power**” means any write-down, conversion, transfer, modification, or suspension power whether relating to the resolution or independent of any resolution action, of credit institutions, investment firms and/or Group entities, existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, including those relating to (i) the transposition of the BRRD (including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period);

“**Italian Banking Act**” means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time;

**“Junior Securities”** means (i) the share capital of the Issuer including its *azioni privilegiate*, ordinary shares and *azioni di risparmio*, (ii) any securities, instruments or obligations of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code) ranking, or expressed to rank, *pari passu* with the claims described under (i) above and/or junior to the Notes, and (iii) any securities issued by an institution within the Group (excluding the Issuer) which have the benefit of a guarantee or similar instrument from the Issuer ranking, or expressed to rank, *pari passu* with the claims described under (i) and (ii) above, and/or junior to the Notes;

**“Liquidazione Coatta Amministrativa”** means *Liquidazione Coatta Amministrativa* as described in Articles 80 to 94 of the Italian Banking Act;

**“Loss Absorbing Instrument”** means at any time any instrument (other than the Notes) issued by the Issuer or (as applicable) any member of the Group which at such time (i) qualifies as Additional Tier 1 Capital of the Issuer or (as applicable) the Group and (ii) which is subject to utilization and conversion into equity or utilization and write-down (as applicable) of the Outstanding Principal Amount thereof (in accordance with its terms or otherwise) on the occurrence, or as a result, of the CET1 Ratio falling below a specified 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;

**“Margin”** means 4.352%, being equal to the margin used to calculate the Initial Rate of Interest;

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

**“Maximum Reinstatement Amount”** has the meaning given to such term in Condition 7 (*Loss Absorption Mechanism*);

**“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 annual financial statements after such financial statements have been formally determined by the shareholders’ meeting;

**“Optional Redemption Date (Call)”** means the First Reset Date and any Interest Payment Date thereafter;

**“Original Principal Amount”** means, in respect of a Note, or as the case may be, a Loss Absorbing Instrument, the principal amount of such Note or Loss Absorbing Instrument as of the Issue Date or the issue date of the Loss Absorbing Instrument, as applicable;

**“Outstanding Principal Amount”** means, in respect of a Note or, as the case may be, a Loss Absorbing Instrument, on any date, the Original Principal Amount of such Note or, as the case may be, Loss Absorbing Instrument as reduced from time to time (on one or more occasions) pursuant to a write-down and/or reinstated from time to time (on one or more occasions) pursuant to a reinstatement in each case on or prior to such date;

“**Own Funds**” has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations;

“**Parity Securities**” means (i) any subordinated and undated debt instruments or any other securities of the Issuer, in each case which are recognized as Additional Tier 1 Capital of the Issuer, from time to time by the Relevant Authority and (ii) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with the Notes;

“**Payment Business Day**” means:

- (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
- (ii) in the case of payment by transfer to an account, a TARGET Settlement Day;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Rate of Interest**” means:

- (a) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or
- (b) in the case of each Interest Period thereafter, the Reset Rate of Interest in respect of such Reset Interest Period,

all as determined by the Calculation Agent in accordance with Condition 5 (*Interest*);

“**Regular Period**” means each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls;

“**Regulatory Event**” has the meaning given to such term in Condition 8.3 (*Redemption due to a Regulatory Event*);

“**Reinstatement**” has the meaning given to such term in Condition 7.2(i) (*Reinstatement after write-down*);

“**Reinstatement Amount**” means the amount, subject to the relevant limitations by reference to Maximum Distributable Amount (if any) and Maximum Reinstatement Amount, by which the Outstanding Principal Amount of each Note in effect prior to the relevant Reinstatement, is to be reinstated and written up on the Reinstatement Effective Date on the balance sheet of the Issuer on such date, as specified in the Reinstatement Notice;

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

“**Reinstatement Notice**” means the notice to be delivered by the Issuer to the Noteholders in accordance with Condition 7.2 (*Loss Absorption Mechanism – Reinstatement*) specifying the Reinstatement Amount and the Reinstatement Effective Date;

**“Relevant Authority”** means the European Central Bank or the Bank of Italy or any successor authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having responsibility for the prudential supervision of the Issuer or the Group within the framework of the Single Supervisory Mechanism set out under Council Regulation (EU) No. 1024/2013 (“SSM”) and in accordance with the Applicable Banking Regulations and/or, as the context may require, the Italian resolution authority, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Italy or in the European Union entitled to exercise or participate in the exercise of the Italian Bail-in Power or having primary responsibility for the prudential oversight and supervision of the Issuer from time to time;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due, and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

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

**“Reserved Matter”** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes, to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution, to change the provisions contained in Condition 4 (*Status and Subordination of the Notes*) or to amend this definition;

**“Reset Date”** the First Reset Date and each 5-year anniversary date thereafter;

**“Reset Interest Period”** means each period from (and including) any Reset Date and ending on (but excluding) the next Reset Date;

**“Reset Rate of Interest”** means, in relation to a Reset Interest Period, the rate per annum equal to the sum of (a) the 5-year Mid-Swap Rate in relation to that Reset Interest Period; and (b) the Margin; such sum converted from an annual basis to a semi-annual basis;

**“Reset Rate of Interest Determination Date”** means, in relation to a Reset Interest Period, the day falling two TARGET Settlement Days prior to the Reset Date on which such Reset Interest Period commences;

**“Reset Reference Bank Rate”** means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the percentage rate determined in accordance with the provisions set out in Condition 5.8 (*Fallbacks*);

“**Reset Reference Banks**” means six leading swap dealers in the interbank market selected by the Issuer (excluding the Calculation Agent, the Paying Agents or any of their affiliates, the Issuer and any affiliate of the Issuer) in its discretion;

“**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 then applicable to the Issuer or the Group (as the case may be), which calculation shall be binding on the Noteholders. For the purposes of this definition, the term “risk weighted assets” means the risk weighted assets or total risk exposure amount, 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), taking into account any applicable transitional provisions;

“**Relevant Screen Page**” means the display page on the relevant Reuters information service designated as: (a) in the case of the 5-year Mid-Swap Rate, the “ICESWAP2” page; or (b) 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, as the case may be, on such other information service that may replace Reuters, 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;

“**Single Call Meeting**” has the meaning given in the Agency Agreement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**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 and amending Regulation (EU) No. 1093/2010, as amended, supplemented and integrated from time to time (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

“**Successor Rate**” means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body;

“**Subordinated Indebtedness**” means any obligation of the Issuer whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of liquidation or bankruptcy of the Issuer to the claims of depositors and all other unsubordinated creditors of the Issuer;

“**Subsidiary**” means a *società controllata*, as defined in Article 2359, first and second paragraphs of the Italian Civil Code;

“**TARGET**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

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

“**Tax Event**” has the meaning given to such term in Condition 8.4 (*Redemption for tax reasons*);

“**Tier 1 Capital**” has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations;

“**Tier 2 Capital**” has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Applicable Banking Regulations;

“**Treaty**” means the Treaty establishing the European Communities, as amended;

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%;

“**Write-Down Amount**” means the amount by which the Outstanding Principal Amount of each Note is to be written down with effect as from the Write-Down Effective Date, which shall be:

- (i) the amount (together with the write-down on a *pro rata* basis of the other Notes and any utilization and conversion into equity or utilization and write-down, on a *pro rata* basis, of other Loss Absorbing Instruments that fell below the applicable trigger level of such instrument) that would be sufficient to restore the CET1 Ratio of both the Issuer and the Group to the Trigger Level, as applicable; or
- (ii) if that write-down (together with the write-down on a *pro rata* basis of the other Notes of the same series and any utilization and conversion into equity or utilization and write-down, on a *pro rata* basis, of any other Loss Absorbing Instruments that fell below the applicable trigger level of such instrument) would be insufficient to restore the CET1 Ratio to the Trigger Level, or the CET1 Ratio is not capable of being so restored, 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,

provided that, for the avoidance of doubt, with respect to any other Higher Trigger Loss Absorbing Instruments, such *pro rata* write-down or conversion shall only be taken into account to the extent required to restore the CET1 Ratio to the Trigger Level; and

provided further that any Loss Absorbing Instrument that may be written down or converted to equity in full but not in part (save for any one cent floor) shall be treated as if its terms permitted partial write-down or conversion into equity, only for the purposes of determining the relevant *pro rata* amounts in the operation of write-down and calculation of the Write-Down Amount;

“**Write-Down Effective Date**” means the date on which the write-down shall take place, or has taken place, as applicable; and

“**Write-Down Procedure**” means the procedures set out in Condition 7 (*Loss Absorption Mechanism*).

## 2.2 Interpretation

In these Conditions:

- (i) any reference to principal shall be deemed to include the Outstanding Principal Amount of the Notes, any Additional Amounts, and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) reference to interest shall be deemed to include any Additional Amounts and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (iv) references to “Coupons” shall, unless the context otherwise requires, be deemed to include a reference to Talons.

## 3. FORM, DENOMINATION AND TITLE

The Notes are in bearer form in denominations of €200,000 and integral multiples of €1,000 in excess thereof, up to (and including) €399,000, with Coupons and Talons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 4. STATUS AND SUBORDINATION OF THE NOTES

### 4.1 Status of the Notes

- (i) The Notes constitute and will constitute unsecured, subordinated obligations of the Issuer.

In the event of the voluntary or involuntary liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer (other than for the purpose of an Approved Reorganization), the rights of the holders of the Notes to payments of the then Outstanding Principal Amount (as reduced by any relevant Write-Down Amount in respect of a Trigger Event which has occurred but in respect of which the Write-Down Effective Date has not yet occurred, if any) of the Notes and any other amounts in respect of the Notes (including any accrued and uncanceled interest or damages awarded for breach of any obligations under these Conditions, if any are payable), will rank *pari passu* without any preference among the Notes and:

- (A) for so long as the Notes qualify, in whole or in part, as Additional Tier 1 Capital:
  - (i) at least *pari passu* with payments to holders of present or future outstanding Parity Securities of the Issuer;
  - (ii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer; and



- (iii) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer (including senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*)), and (z) subordinated creditors of the Issuer in respect of Subordinated Indebtedness (other than Parity Securities and Junior Securities) including, without limitation, any subordinated notes qualifying as or intended to qualify as Tier 2 Capital and any subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*);
- (B) if and when the Notes cease to qualify, in their entirety, as Additional Tier 1 Capital and for so long as they qualify, in whole or in part, as Tier 2 Capital:
- (i) *pari passu* with payments to: (x) holders of present or future outstanding Tier 2 Capital of the Issuer, save to the extent any such subordinated obligation rank, or are expressed to rank, senior or junior to the Notes; and (y) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with Tier 2 Capital;
  - (ii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer and any Additional Tier 1 Capital;
  - (iii) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer (including senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*)), and (z) creditors of the Issuer in respect of Subordinated Indebtedness which rank, or are expressed to rank, senior to Tier 2 Capital (including any subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*));
- (C) if and when the Notes do not qualify (or cease to qualify) in their entirety as Additional Tier 1 Capital and Tier 2 Capital:
- (i) at least *pari passu* with the Issuer's obligations in respect of any other subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*) and with all other Subordinated Indebtedness of the Issuer that have such ranking;
  - (ii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer and any other own fund items (*elementi di fondi propri*), including Additional Tier 1 Capital and Tier 2 Capital;
  - (iii) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer; (y) other unsubordinated creditors of the Issuer (including and senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*)), and (z) creditors of the Issuer in respect of Subordinated Indebtedness which rank, or are expressed to rank, senior to subordinated instruments that have ceased to qualify, in their entirety, as own fund items (*elementi di fondi propri*).

(ii) ***No Set-Off Rights, no security guarantee and no enhancement of seniority***

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or the Coupons, and each Noteholder and Couponholder shall, by virtue of its subscription, purchase or holding of any Note or Coupon, be deemed to have waived all such rights of set-off, counterclaim, abatement, netting or other similar remedy.

The Notes are neither secured, nor subject to any guarantee that enhances the seniority of the claims under the Notes.

(iii) ***Loss Absorption Requirement***

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 BRRD and/or SRM Regulation, in accordance with the powers of the Relevant Authority and where the Relevant Authority determines that application of the Loss Absorption Requirement to the Notes is necessary pursuant to applicable law and/or regulation in force from time to time.

(iv) ***No Negative Pledge***

There is no negative pledge in respect of the Notes.

5. **INTEREST**

5.1 **Accrual of interest**

The Notes bear interest on their Outstanding Principal Amount, on a non-cumulative basis, at the relevant Rate of Interest from and including the Interest Commencement Date, payable, subject as provided in these Conditions, semi-annually in arrear on each Interest Payment Date. The first interest payment shall be made on 20 November 2024 in respect of the period from (and including) the Issue Date to (but excluding) 20 November 2024.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Outstanding Principal Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgement) until whichever is the earlier of:

- (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (b) the day which is seven (7) days after the Fiscal Agent has notified the Noteholders in accordance with Condition 17 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5.2 **Interest to (but excluding) the First Reset Date**

The Rate of Interest for each Interest Period falling in the Initial Interest Period will be 7.000% per annum (the "**Initial Rate of Interest**"), being the rate that is equal to the sum of the (interpolated) mid-swap rate for euro swap transactions with a term of 8 years commencing on the Issue Date plus the Margin (such sum converted from an annual basis to a semi-annual basis).

### 5.3 **Interest from (and including) the First Reset Date**

The Rate of Interest for each Interest Period from (and including) the First Reset Date will be the relevant Reset Rate of Interest in respect of the Reset Interest Period in which such Interest Period falls, as determined by the Calculation Agent.

### 5.4 **Determination of Reset Rate of Interest in relation to a Reset Interest Period**

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

### 5.5 **Publication of Reset Rate of Interest**

With respect to each Reset Interest Period, the Calculation Agent will cause the relevant Reset Rate of Interest to be notified to the Issuer, the Fiscal Agent (if not the Calculation Agent) and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Issuer shall cause a notice thereof to be published in accordance with Condition 17 (*Notices*) as soon as reasonably practicable after such determination but in any event not later than the relevant Reset Date. The Reset Rate of Interest so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustments) in the event of manifest error.

### 5.6 **Calculation of Interest Amount**

Subject to Condition 6 (*Interest Cancellation*) and Condition 9 (*Payments*), the Interest Amount payable in respect of each Note for each Interest Period will be calculated by the Calculation Agent by applying the Rate of Interest to the Outstanding Principal Amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

### 5.7 **Notifications etc.**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

### 5.8 **Fallbacks**

- (i) If on any Reset Rate of Interest Determination Date, the Calculation Agent advises the Issuer that the Relevant Screen Page is not available or the 5-year Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer (or an agent appointed by the Issuer) shall request each of the Reset Reference Banks to provide the Calculation Agent with its 5-year Mid-Swap Rate Quotations as at approximately 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date. If, by close of business on the Reset Rate of Interest Determination Date, at least three quotations are provided, the Reset Reference Bank Rate for such Reset Interest Period will be 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 by close of business on the Reset Rate of Interest Determination Date, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided.

- (ii) If no quotations are provided by close of business on the Reset Rate of Interest Determination Date, the Reset Reference Bank Rate for the relevant Reset Interest Period will be the 5-year Mid Swap Rate that most recently appeared on the Relevant Screen Page, as determined by the Calculation Agent.

## 5.9 **Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 5, if the Issuer determines that a Benchmark Event has occurred with reference to the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) or, as applicable, the Mid-Swap Floating Leg Benchmark Rate (for the purposes of this Condition, the "**Reference Rate**"), then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and will notify the Fiscal Agent and Calculation Agent and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than ten (10) Business Days prior to the relevant Reset Rate of Interest Determination Date relating to the next succeeding Reset Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for the relevant Reset Interest Period(s) (subject to the subsequent operation of this Condition 5.9);
- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reference Rate and notifies the Fiscal Agent and Calculation Agent and in customary market usage for the purposes of determining reset rates of interest in respect of eurobonds denominated in Euro, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut off Date in accordance with sub-paragraph (i) or (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reference Rate in customary market usage for purposes of determining reset rates of interest in respect of eurobonds denominated in Euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided however that if:*
  - (a) this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page, the Issuer will notify

the Fiscal Agent and Calculation Agent of such determination no later than ten (10) Business Days prior to the Reset Rate of Interest Determination Date relating to the next succeeding Reset Interest Period in accordance with this sub-paragraph (iii), or

- (b) in the determination of the Issuer, operation of the provisions of this Condition 5.9 could reasonably be expected to cause the occurrence of a Regulatory Event,

then the Reference Rate applicable to such Reset Interest Period shall be determined by reference to fallback provisions set out in sub-paragraph (ii) of Condition 5.8 (*Fallbacks*) above. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Interest Period, and any subsequent Reset Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.9;

- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the provisions of sub-paragraph (i) or (ii) above, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Reset Interest Periods (subject to the subsequent operation of this Condition 5.9);
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (a) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (b) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify amendments to the Day Count Fraction, Relevant Screen Page, Business Day convention, Business Days, Reset Rate of Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which amendments shall apply to the Notes for all future Reset Interest Periods (subject to the subsequent operation of this Condition 5.9), provided that such amendments would not, in the Calculation Agent's and/or the Paying Agent's opinion, have the effect of increasing the obligations or duties, or decreasing the rights or protection, of the relevant Agent in the Agency Agreement and/or these Conditions; and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Fiscal Agent and the Noteholders in accordance with Condition 17 (*Notices*).

Prior to any amendment being effected under this Condition 5.9 due to a Benchmark Event (each, a "**Benchmark Amendment**") taking effect, the Issuer shall provide a certificate signed by two authorised signatories to the Fiscal Agent confirming, in the Issuer's reasonable opinion (following consultation with the Independent Adviser), (i) that a Benchmark Event has occurred, (ii) the Successor Rate or

Alternative Reference Rate (as applicable), (iii) where applicable, any Adjustment Spread and (iv) where applicable, the terms of any Benchmark Amendments in each case determined in accordance with this Condition 5 that such Benchmark Amendments are necessary to give effect to any application of this Condition 5. The Successor Rate or Alternative Benchmark Rate (as applicable) or where applicable, any Adjustment Spread and any Benchmark Amendments will be binding on the Issuer, the Fiscal Agent, the other Paying Agents, the Noteholders and the Couponholders. For the avoidance of doubt, no consent of the Noteholders shall be required for a variation (as applicable) of the Notes in accordance with this Condition 5.9.

Notwithstanding any provision of these Conditions, if in a relevant Agent's sole opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation provided for by the terms of a Benchmark Amendment, the relevant Agent shall promptly notify the Issuer thereof and the Issuer shall direct the relevant Agent in writing as to which alternative course of action to adopt. If the relevant Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the relevant Agent shall be under no obligation to make such calculation or determination and (in the absence of such negligence, wilful default or fraud) shall not incur any liability for not doing so.

## **6. INTEREST CANCELLATION**

### **6.1 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 paid 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.

### **6.2 Restriction on interest payments**

6.2.1 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 Part One, Title II, Chapter 1, Section V of Circular No. 285 implementing Article 141(2) of CRD IV before the Maximum Distributable Amount (in circumstances where limitation on distributions by reference to Maximum Distributable Amount applies) is calculated:

- (i) subject to the extent permitted in Condition 6.2.2 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 instruments of the Issuer (including any Additional Amounts in respect thereof but excluding – for the avoidance of doubt – any such distributions or interest payments on Tier 2 Capital 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 Instruments that have been written down, in each case paid and/or scheduled to be paid in the then current financial year;

- (ii) subject to the extent permitted in Condition 6.2.2 below, in circumstances where limitation 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 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 (including Article 16a of the BRRD, Article 10a of the SRM Regulation 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 on any Loss Absorbing Instruments that have been written down, where applicable - 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; or
- (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 (in whole or in part) scheduled to be paid (including in circumstances where the Relevant Authority prohibits the Issuer from distributing more than the Maximum Distributable Amount related to the minimum requirement for own funds and eligible liabilities).

6.2.2 The Issuer may, in its sole discretion, elect to make a partial or full interest payment on the Notes on any Interest Payment Date, only to the extent that such partial or full interest payment may be made without breaching the restrictions set out in sub-paragraphs (i) (ii) and (iii) of Condition 6.2.1 above.

### 6.3 **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 this Condition 6. 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 (*Enforcement Event*) 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.

#### 6.4 **Notice of interest cancellation**

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. The Issuer shall endeavour to provide such notice 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. Notwithstanding the foregoing, failure to provide such notice (or the provision of a shorter 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.

#### 6.5 **Interest Amount in case of Write-Down**

Subject to Condition 6.1 (*Discretionary interest payments*) and Condition 6.2 above (*Restriction on interest payments*), following a write-down, other than rights to Reinstatement as applicable to the Notes, no Noteholder will have any rights against the Issuer with respect to the payment of interest on any principal amount that has been so written down, and the interest on the Write-Down Amount for the Interest Period ending on the Interest Payment Date following such write-down shall be deemed to have been cancelled (without further action from the Issuer) and shall not be due and payable.

Furthermore, any interest on any principal amount that is to be written down on the relevant Write-Down Effective Date, in respect of an Interest Period ending on any Interest Payment Date falling between the date of a Trigger Event and the Write-Down Effective Date shall be automatically cancelled (without further action from the Issuer and even if no notice has been given to that effect) upon the occurrence of such Trigger Event and shall not be due and payable. To the extent it is not possible to determine, on such Interest Payment Date, the interest amount that is to be cancelled pursuant to this Condition 6.5 and therefore, the amount of interest due and payable (subject to these Conditions), if any, on such Interest Payment Date, the Issuer may, at its discretion, postpone the payment of interest to a date not later than the Write-Down Effective Date (and Noteholders shall not be entitled to any further interest or other payment in respect of such delay).

Following the Write-Down Effective Date, interest payments due on the next following Interest Payment Date, if any, shall (in the absence of any Reinstatement) be calculated based on the Outstanding Principal Amount on the last day of the Interest Period ending on (but excluding) such Interest Payment Date.

#### 6.6 **Interest Amount in case of Reinstatement**

Subject to Condition 6.1 (*Discretionary interest payments*) and Condition 6.2 above (*Restriction on interest payments*), in the event that one or more Reinstatement(s) occur(s) during an Interest Period, any Interest Amount payable on the Interest Payment Date immediately following such Reinstatement(s) shall be calculated by determining the amount of interest accrued on the Notes for each period within such Interest Period during which a different Outstanding Principal Amount subsists (for the purpose of this Condition 6.6, a “**Relevant Period**”, with each such Relevant Period ending on (and excluding) the date on which a Reinstatement occurs (or, as the case may be, the last day of such Interest Period) and starting on (and including) the last Reinstatement Effective Date (or, as the case may be, the first



day of such Interest Period), which shall be the product of (x) the applicable Rate of Interest, (y) the Outstanding Principal Amount before (and excluding) the date of such Reinstatement, and (z) the Day Count Fraction (determined as if the Calculation Period ended on, but excluding, the date of such 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.

## 7. LOSS ABSORPTION MECHANISM

### 7.1 Write-down

#### (i) *Write-down upon Trigger Event*

If a Trigger Event has occurred at any time, then the Issuer shall write down the Outstanding Principal Amount of each Note (in whole or in part, as applicable) with effect as from the Write-Down Effective Date in accordance with the Write-Down Procedure. The write-down shall occur without undue delay (and within one month or such shorter period as the Relevant Authority may require at the latest) upon the occurrence of a Trigger Event.

With effect as from the Write-Down Effective Date, the Issuer shall write down the principal amount of each Note equal to the relevant Write-Down Amount of each Note by writing down the Outstanding Principal Amount of each Note by the relevant Write-Down Amount.

Upon the occurrence of a Trigger Event, the Issuer shall immediately inform the Relevant Authority and shall deliver to the Noteholders a notice in accordance with Condition 17 (*Notices*) specifying (x) that a Trigger Event has occurred and (y) the Write-Down Effective Date or expected Write-Down Effective Date. Following a write-down, other than rights to Reinstatement as applicable to the Notes in accordance with Condition 7.2 (*Reinstatement*) below, no Noteholder will have any rights against the Issuer with respect to the repayment of any principal amount to the extent so written down or any other amount on or in respect of any principal amount that has been so written down.

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.

The requirement in this Condition 7 that a write down of the Notes shall be effected *pro-rata* with the write-down or conversion into equity (as the case may be) of other Loss Absorbing Instruments shall not be construed as requiring the Notes to be written-down to one cent simply by virtue of the fact that other Loss Absorbing Instruments with terms prescribing full write-down (if any) will be written down or converted in full.

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, of itself, entitle Noteholders to petition for the insolvency or dissolution of the Issuer or otherwise. To the extent the write-down or conversion into equity of any Loss Absorbing Instrument is not, or within one month (or such shorter period as the Relevant Authority may require) from the determination that the relevant Trigger Event has occurred will not be, effective for any reason (i) the ineffectiveness of such write-down or conversion into equity shall not prejudice the requirement to effect a write-down of the Notes pursuant to this Condition 7 and (ii) the write-down or conversion into equity of any Loss Absorbing

Instrument which is not, or within one month (or such shorter period as the Relevant Authority may require) from the determination that the relevant trigger event has occurred will not be, effective shall not be taken into account in determining the Write-Down Amount on the Notes.

(ii) *Write-Down Procedure*

Write-down notice

If a Trigger Event has occurred, the Issuer shall deliver a write-down notice to the Noteholders at the later of (a) 5 Business Days after the Trigger Event; and (b) as soon as commercially practicable after such Trigger Event, provided that failure to provide a notice shall not prevent the write-down of the Notes on the Write-Down Effective Date.

The write-down notice shall be sufficient evidence of the occurrence of such Trigger Event and will be conclusive and binding on the Noteholders.

**7.2 Reinstatement**

(i) *Reinstatement after write-down*

If a positive Net Income and a positive Consolidated Net Income is recorded at any time while the Outstanding Principal Amount of the Notes is less than their Original Principal Amount, the Issuer may, at its sole and absolute discretion, reinstate and write up the Outstanding Principal Amount of the Notes in whole or in part, in accordance with the reinstatement procedure set out below and with Applicable Banking Regulations (a “**Reinstatement**”). There shall be no obligation for the Issuer to operate or accelerate a Reinstatement under any specific circumstances.

A Reinstatement may occur on more than one occasion provided that the Outstanding Principal Amount of a Note never exceeds its Original Principal Amount. No Reinstatement may take place if (x) a Trigger Event has occurred, but a write-down has not yet occurred with respect to such Trigger Event, (y) a Trigger Event has occurred in respect of which write-down has occurred but the CET1 Capital ratios of both the Issuer and the Group, as applicable, have not been restored to, or above, the Trigger Level or (z) the Reinstatement (either alone or together with all simultaneous reinstatements of other Loss Absorbing Instruments) would cause a Trigger Event to occur.

(ii) *Reinstatement on a pro rata basis*

The Issuer shall not reinstate any of the Outstanding Principal Amount of any Loss Absorbing Instruments which have been written down and that have terms permitting a reinstatement on a basis substantially similar to that set out in this Condition 7.2 unless (a) any reinstatement of Higher Trigger Loss Absorbing Instrument that have been written down is simultaneous with, or preceded by, a Reinstatement of the Notes to their Original Principal Amount; and (b) any reinstatement of Equal Trigger Temporary Written Down Instruments is made on a *pro rata* basis (based on the then prevailing Outstanding Principal Amount thereof) with a Reinstatement of the Outstanding Principal Amount of each Note.

(iii) *Reinstatement procedure*

Reinstatement Notice

If the Issuer exercises such discretion to effect a Reinstatement it shall give notice thereof to Noteholders specifying the Reinstatement Amount and the Reinstatement Effective Date (the “**Reinstatement Notice**”).

#### Reinstatement Amount

The Reinstatement Amount shall be set by the Issuer at its discretion, save that it is subject to the following limitations and any other limitations from time to time set forth in Applicable Banking Regulations:

- (a) in circumstances where limitation on distributions by reference to Maximum Distributable Amount applies, any Reinstatement of the Notes shall - when aggregated together with the reinstatement of the Outstanding Principal Amount of all other written down Loss Absorbing Instruments of the Issuer and/or the Group constituting Additional Tier 1 Capital, payments of interest or distributions in respect of the Notes and of such written down instruments and any other distributions of the kind referred to in Article 141 of 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 any provision of Italian law transposing or implementing such provisions, including Circular No. 285) - be limited to the extent necessary to ensure the Maximum Distributable Amount then applicable to the Issuer and/or the Group is not exceeded thereby; and
- (b) any reinstatement of the principal amount of the Additional Tier 1 instruments that have been subject to a write-down of the Issuer or, in the case of any reinstatement by reference to the Consolidated Net Income, of the Group (including the Notes) - together with the payment of interest payments or distributions in respect of such written down instruments that were calculated or paid on the basis of an outstanding principal amount that is lower than their principal amount upon issuance at any time after the end of the then previous financial year - may not exceed the reinstatement limit pursuant to the Applicable Banking Regulations (the “**Maximum Reinstatement Amount**”), which is equal to the lower of: (x) Net Income *multiplied* by the ratio of (i) the Original Principal Amount of all outstanding Additional Tier 1 instruments of the Issuer where the principal amount of such Additional Tier 1 instruments has been reduced, *divided* by (ii) the total Tier 1 Capital of the Issuer; and (y) Consolidated Net Income multiplied by the ratio of (i) the Original Principal Amount of all outstanding Additional Tier 1 instruments of the Group where the principal amount of such Additional Tier 1 instruments has been reduced, *divided* by (ii) the total Tier 1 Capital of the Group, in each case, converted (where appropriate) in Euro and calculated at the date of the relevant Reinstatement.

#### Effecting the Reinstatement

If the Issuer exercises its discretion to effect a Reinstatement in accordance with and subject to the limits of this Condition 7.2 (*Reinstatement*), it shall give notice thereof to the Noteholders in accordance with Condition 17 (*Notices*) specifying the Reinstatement Amount (which shall be conclusive and binding on the Noteholders) and the Reinstatement Effective Date.

On the Reinstatement Effective Date and subject to the prior consent of the Relevant Authority (to the extent such consent is required by the Applicable Banking Regulations), the Issuer may (x) cause the Outstanding Principal Amount of each Note to be reinstated and written up by an amount equal to the relevant Reinstatement Amount on a *pro rata* basis with the other Notes and (y) procure that the

Outstanding Principal Amount of each security forming part of a series of Equal Trigger Temporary Written Down Instruments is, or has been, reinstated and written up on a *pro rata* basis (based on the then prevailing Outstanding Principal Amount thereof) with the Outstanding Principal Amount of each Note.

Any decision by the Issuer to effect, or not to effect, a Reinstatement on any occasion shall not prevent the Issuer from effecting, or not effecting, a Reinstatement on any other occasion pursuant to this Condition 7.2.

## 8. REDEMPTION AND PURCHASE

### 8.1 No fixed redemption

The Notes have no fixed redemption date.

The Notes shall become immediately due and payable only in case voluntary or involuntary winding up proceedings (excluding, for the avoidance of doubt, resolution proceedings or *moratoria* imposed by the resolution authority) are instituted in respect of the Issuer (other than for the purpose 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 5 September 2023 provide for the duration of the Issuer to expire on 31 December 2100, 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. 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 at the option of the Issuer

The Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to the prior approval of the Relevant Authority, on any Optional Redemption Date (Call) at their Outstanding Principal Amount together with interest accrued (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) up to, but excluding, the date fixed for redemption on the Issuer's giving not less than 5 but not more than 30 days' notice to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall - subject to the provisions of Condition 8.10 (*Trigger Event post redemption notice*) and Condition 8.11 (*No redemption notice post Trigger Event*) - be irrevocable).

### 8.3 Redemption due to a Regulatory Event

The Issuer may redeem the Notes, in whole but not in part (but subject to the prior approval of the Relevant Authority), at their Outstanding Principal Amount, together with any accrued but unpaid interest to the date fixed for redemption (excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)), at any time following the occurrence of a Regulatory Event provided that (to the extent required by applicable law or regulation):

- (i) the Issuer has given not less than 5 nor more than 30 days' notice to the Noteholders (such notice shall - subject to the provisions of Condition 8.10 (*Trigger Event post redemption notice*) and Condition 8.11 (*No redemption notice post Trigger Event*) - be irrevocable) specifying the date fixed for such redemption; and

- (ii) the circumstance that entitles the Issuer to exercise this right of redemption of the Notes was not reasonably foreseeable at the relevant Issue Date.

“**Regulatory Event**” is deemed to have occurred if there is a change (or pending change which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes from the classification as of the Issue Date that results, or would be likely to result, in their exclusion in whole or (to the extent permitted by Applicable Banking Regulations) in part, from Additional Tier 1 Capital of the Issuer and/or the Group or a reclassification as a lower quality form of Own Funds (save where the exclusion from Additional Tier 1 Capital of the Issuer is solely a result of any applicable limitation on the amount of such capital in accordance with Applicable Banking Regulations in force as at the Issue Date) and, prior to the fifth anniversary of the Issue Date, if and to the extent then required under Applicable Banking Regulations, both of the following conditions are met: (i) the Relevant Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Authority that the change in regulatory classification of the Notes was not reasonably foreseeable as of the Issue Date.

Upon the expiry of such notice period specified above, the Issuer shall - subject to the provisions of Condition 8.10 (*Trigger Event post redemption notice*) and Condition 8.11 (*No redemption notice post Trigger Event*) - be bound to redeem the Notes accordingly.

#### 8.4 **Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole or in part (but subject to the prior approval of the Relevant Authority) at any time on giving not less than 5 but not more than 30 days’ notice to the Noteholders in accordance with Condition 17 (*Notices*), at their Outstanding Principal Amount, together with interest accrued (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) to the date fixed for redemption, if:

- (i) the Issuer (a) has or will become obliged to pay additional amounts on the occasion of the next payment of interest due in respect of the Notes as provided or referred to in Condition 10 (*Taxation*) or (b) has lost or will lose the ability to deduct the interest payable on the Notes from its taxable income, as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy, or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment (such change or amendment, prior to the fifth anniversary of the Issue Date, if and to the extent then required under Applicable Banking Regulations, being material and not reasonably foreseeable at the Issue Date as shall be demonstrated by the Issuer to the satisfaction of the Relevant Authority) becomes effective on or after the Issue Date (such occurrence, a “**Tax Event**”); and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

*provided that any such redemption is subject to the provisions of Condition 8.10 (Trigger Event post redemption notice) and Condition 8.11 (No redemption notice post Trigger Event).*

At least 15 days prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (i) a certificate signed by two duly authorized officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the circumstance that entitle the Issuer to redeem have occurred and (ii) an opinion of

independent legal advisers of recognized standing to the effect that such circumstances prevail (and such evidence and opinion shall be sufficient to the Fiscal Agent and conclusive and binding on the Noteholders).

Upon the expiry of any such notice as is referred to in this Condition 8.4, the Issuer shall - subject to the provisions of Condition 8.10 (*Trigger Event post redemption notice*) and Condition 8.11 (*No redemption notice post Trigger Event*) - be bound to redeem the Notes in accordance with this Condition 8.4.

#### 8.5 **Clean-up Call Option**

The Notes may be redeemed at the option of the Issuer in whole or in part (but subject to the prior approval of the Relevant Authority) at any time on giving not less than 5 but not more than 30 days' notice to the Noteholders in accordance with Condition 17 (*Notices*), at their Outstanding Principal Amount, together with interest accrued (if any and excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) to the date fixed for redemption, 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. Upon the expiry of any such notice as is referred to in this Condition 8.5, the Issuer shall - subject to the provisions of Condition 8.10 (*Trigger Event post redemption notice*) and Condition 8.11 (*No redemption notice post Trigger Event*) - be bound to redeem the Notes in accordance with this Condition 8.5.

#### 8.6 **No other redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 8.2 (*Redemption at the option of the Issuer*), 8.3 (*Redemption due to a Regulatory Event*), 8.4 (*Redemption for tax reasons*) and 8.5 (*Clean-up Call Option*) or upon maturity.

#### 8.7 **Purchase**

The Issuer or any of its Subsidiaries may purchase Notes in the open market or otherwise and at any price, provided (*inter alia*) that all unmatured Coupons are purchased therewith. Such Notes may be held, resold or, at the option of the purchaser, surrendered for cancellation.

Any such purchase of the Notes shall be subject to Condition 8.8 (*Conditions to redemption and purchase*) and is subject to consent of the Relevant Authority and in compliance with Applicable Banking Regulations, including satisfaction of the conditions and compliance with the applicable limits set out in Article 78(1) of the CRR.

#### 8.8 **Conditions to redemption and purchase**

Any redemption or purchase of the Notes is subject to compliance with the then Applicable Banking Regulations, including:

- (i) the Issuer having obtained the prior approval of the Relevant Authority in accordance with Articles 77 and 78 of the CRR, where either:
  - (a) on or before such redemption or purchase, the Issuer replaces the relevant Notes with own funds instruments of an 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, if applicable, eligible liabilities would, following the redemption or purchase, exceed the requirements laid down in the Applicable Banking Regulations by a margin that the Relevant Authority considers necessary; **and**
- (ii) in respect of a redemption or repurchase prior to the fifth anniversary of the Issue Date, if and to the extent required under Article 78(4) of the CRR or the CRD IV Capital Instruments Regulation:
  - (A) on or before the relevant redemption or repurchase, the Issuer replaces the relevant Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for income capacity of the Issuer 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
  - (B) in the case of redemption pursuant to Condition 8.4 (*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
  - (C) in case of redemption pursuant to Condition 8.3 (*Redemption due to a Regulatory Event*), a Regulatory Event has occurred; or
  - (D) in the case of a repurchase of Notes, the Notes are repurchased for market making purposes in accordance with Condition 8.7 (*Purchase*),

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

The 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 per cent. (or any other threshold as may be requested or required by the Relevant Authority from time to time) of the aggregate nominal amount of the relevant Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Relevant Authority from time to time) of the outstanding aggregate nominal amount of the Additional Tier 1 instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (a) and (b) of sub-paragraph (i) of the preceding paragraph.

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

## 8.9 Cancellation

All Notes redeemed or purchased and surrendered for cancellation as aforesaid will be cancelled forthwith, together with all unmatured Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

#### 8.10 **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 write-down shall apply in accordance with Condition 7 (*Loss Absorption Mechanism*).

#### 8.11 **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 has not been remedied.

### 9. **PAYMENTS**

#### 9.1 **Principal**

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account maintained by the payee with, a bank in the Eurozone.

#### 9.2 **Interest**

Payments of interest shall, subject to Condition 9.6 (*Payments other than in respect of matured Coupons*), be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9.1 (*Principal*).

#### 9.3 **Payments subject to fiscal laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

#### 9.4 **Unmatured Coupons void**

On the due date for redemption in whole of any Note pursuant to Condition 8.2 (*Redemption at the option of the Issuer*), Condition 8.3 (*Redemption due to a Regulatory Event*), Condition 8.4 (*Redemption for tax reasons*) or Condition 8.5 (*Clean-up Call Option*), all unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons) relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

#### 9.5 **Payments on business days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.



## 9.6 **Payments other than in respect of matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

## 9.7 **Partial payments**

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## 9.8 **Exchange of Talons**

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 10. **TAXATION**

### 10.1 **Gross up**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall – to the extent that such payment can be made out of Distributable Items subject to Condition 6 (*Interest Cancellation*) and if permitted by Applicable Banking Regulations - pay such additional amounts (“**Additional Amounts**”) on interests (but not on principal) as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) 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, (the “**Legislative Decree No. 239**”) 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, except where the procedures set forth in Legislative Decree No. 239 in order to benefit from a tax exemption have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (ii) with respect to any Notes or Coupons presented for payment:
  - (A) in the Republic of Italy; or

- (B) by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of Italy other than the mere holding of such Note or Coupon; or
- (C) by or on behalf of a Noteholder or Couponholder who is entitled to avoid such withholding or deduction in respect of such Note or Coupon by making, or procuring, a declaration of non-residence or other similar claim for exemption but has failed to do so; or
- (D) more than 30 days after the Relevant Date except to the extent that the Noteholder or the Couponholder would have been entitled to an additional amount on presenting such Note or Coupon for payment on such thirtieth day assuming that day to have been a Business Day; or
- (E) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy.

The Issuer will have no obligation to pay additional amounts in respect of the Notes and Coupons or otherwise indemnify an investor for any withholding or deduction of tax required pursuant to an agreement described in Section 1471(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 therefor or any law implementing an intergovernmental agreement thereto (“**FATCA Withholding**”).

## 10.2 Taxing Jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any FATCA Withholding as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding.

## 11. ENFORCEMENT EVENT

In the event of compulsory winding up (*Liquidazione Coatta Amministrativa*) pursuant to Articles 80 and following of the Italian Banking Act or voluntary winding-up (*liquidazione volontaria*) in accordance with Article 96-*quinquies* of the Italian Banking Act of the Issuer, otherwise than for the purpose of an Approved Reorganization or on terms previously approved by the Noteholders (an “**Event of Default**”), then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable without further action or formality. Resolution proceedings or *moratoria* imposed by the resolution authority in respect of the Issuer shall not constitute an Event of Default for any purpose.

For the avoidance of doubt, the non-payment by the Issuer of any amount due and payable under these Notes, or the taking of any crisis prevention measure or crisis management measure in relation to the

Issuer in accordance with the BRRD, is not an Event of Default. The rights of the Noteholders and the Couponholders in the event of a winding up, dissolution, liquidation or bankruptcy of the Issuer will be calculated on the basis of the Outstanding Principal Amount of the Notes, plus any accrued interest (excluding any interest cancelled in accordance with Condition 6 (*Interest Cancellation*)) and any Additional Amounts due pursuant to Condition 10 (*Taxation*). No payments will be made to the Noteholders or Couponholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders and the Couponholders as described in Condition 4.1 (*Status of the Notes*) have been paid by the Issuer, as ascertained by the liquidator.

**12. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and shall become void unless made within ten years (in the case of principal) and five years (in the case of interest) from the due date for payment thereof.

**13. REPLACEMENT OF NOTES AND COUPONS**

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

**14. PAYING AGENTS**

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

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or calculation agent and additional or successor paying agents, provided, however, that:

- (a) the Issuer shall at all times maintain a fiscal agent;
- (b) the Issuer undertakes that it will ensure that it maintains a paying agent (i) outside the Republic of Italy, and (ii) in a Member State of the European Union or in the United Kingdom who is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (c) the Issuer shall at all times maintain a calculation agent;
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system the rules of which require the appointment of a paying agent in any particular place, the Issuer shall maintain a paying agent

having its Specified Office in the place required by the rules of such competent authority, stock exchange and/or quotation system; and

- (e) there will at all times be a paying agent in a jurisdiction, other than the jurisdiction in which the Issuer is incorporated.

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

## 15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

### 15.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing more than one half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting or at a Single Call Meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however*, that for voting on any Extraordinary Resolution in relation to a Reserved Matter, the quorum will be two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting or at a Single Call Meeting, one quarter, of the aggregate principal amount of the outstanding Notes. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will (if and to the extent permitted under the laws, legislation, rules and regulations of the Issuer's place of incorporation in force from time to time) take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

### 15.2 Modification and waiver; Approved Reorganisation

The Conditions may not be amended without the prior approval of the Relevant Authority (if applicable). The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to any modification of the Notes, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer, is (a) to cure or correct any ambiguity or defective or inconsistent provision contained therein, or which is of a formal, minor or technical nature, or (b) not prejudicial to the interests of the Noteholders and/or Couponholders (provided the proposed modification does not relate to a matter in respect of which an Extraordinary Resolution would be required if a meeting of Noteholders were held to consider such modification), or (c) to correct a manifest error, or (d) to comply with mandatory provisions of the law. Any such modification shall be binding on the Noteholders and Couponholders and shall be notified to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

No consent of the Noteholders or Couponholders shall be required for an Approved Reorganisation, *provided that* the Issuer shall deliver to the Fiscal Agent, to make available at its specified office to the Noteholders, a certificate signed by two directors of the Issuer stating that: (i) immediately prior to the assumption of its obligations, the Resulting Entity is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Resulting Entity; and (ii) the proposed consolidation, merger or amalgamation will be an Approved Reorganisation. Any Approved Reorganisation shall be notified to the Noteholders in accordance with Condition 17 (*Notices*).

**15.3 Modification following a Regulatory Event, an Alignment Event or a Tax Event, or to ensure effectiveness or enforceability of bail-in**

If at any time a Tax Event, an Alignment Event or a Regulatory Event occurs, or in order to ensure the effectiveness and enforceability of Condition 21 (*Acknowledgement of the Italian Bail-in Power*), then the Issuer may, subject to giving any notice required to, and receiving any consent required from, the Relevant Authority, if so required, (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable, except if a Trigger Event occurs, the relevant notice shall be automatically rescinded and shall be of no force and effect and write-down shall apply in accordance with Condition 7 (*Loss Absorption Mechanism*)), at any time vary the terms of all the Notes so that they remain or, as appropriate, become, Qualifying Securities, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities or otherwise provide the Issuer with a right of redemption pursuant to the provisions of the Notes.

For the purpose of this Condition 15.3, "**Qualifying Securities**" means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) (A) contain terms such that they comply with the then-current minimum requirements under the Applicable Banking Regulations for inclusion in the Tier 1 Capital of the Issuer or the Group (as applicable); (B) provide for a ranking at least equal to that of the Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (D) have the same redemption rights as the Notes; (E) preserve any existing rights under the Notes to any accrued interest which has not been paid (which has not been cancelled) in respect of the period from (and including) the Interest Payment Date last preceding the date of variation (but subject always to the right or obligation of the Issuer subsequently to cancel any such accrued interest in accordance with the terms of the Notes); and (F) are assigned (or maintain) the same credit ratings with the same outlook as were assigned to the Notes by credit agencies solicited by the Issuer immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21 (*Acknowledgement of the Italian Bail-in Power*); and (G) other than in respect of the effectiveness and enforceability of Condition 21 (*Acknowledgement of the Italian Bail-in Power*), have terms that are not materially less favourable to the Noteholders, certified by the Issuer acting reasonably following consultation with an investment bank or financial adviser of international standing which is independent of the Group, than the terms of the Notes; and
- (ii) are listed on a recognized stock exchange if the Notes were listed immediately prior to such variation.

16. **FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, but subject to any permission required from the Relevant Authority, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

17. **NOTICES**

Notices to the Noteholders shall be valid if published (i) in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or (ii) if the Notes are at the relevant time listed or admitted to trading on the Luxembourg Stock Exchange and the rules of that exchange so require, on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) or, in each of the above cases, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

18. **CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of: (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal, or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between: (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency, and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. **ROUNDING**

For the purposes of any calculations referred to in these Conditions, all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

20. **GOVERNING LAW AND JURISDICTION**

20.1 **Governing law**

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

## 20.2 **Jurisdiction**

The Issuer agrees for the benefit of the Noteholders that the courts of Milan are to have jurisdiction to hear and determine any suit, action or proceedings and to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Notes (including any non-contractual obligations arising out of or in connection with the foregoing) (respectively “**Proceedings**” and “**Disputes**”) and for such purposes have irrevocably submitted to the non-exclusive jurisdiction of such courts.

## 20.3 **Appropriate forum**

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Milan being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

## 20.4 **Non-exclusivity**

The submission to the jurisdiction of the courts of Milan shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether currently or not) if and to the extent permitted by law.

## 21. **ACKNOWLEDGEMENT OF THE ITALIAN BAIL-IN POWER**

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuer and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this Condition 21, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Italian 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 becomes 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 Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Condition 21.

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



## OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of a Temporary Global Note which will be deposited on or around 20 May 2024 (the “**Closing Date**”) with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Notes will be issued in new global note (“**NGN**”) form. The Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”), at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Fiscal Agent if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 11 (*Enforcement Event*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the occurrence of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5:00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon (but excluding any interest cancelled or deemed to be cancelled in accordance with the Conditions) due and payable in accordance with the Conditions has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (London time) or such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder. Under the Permanent Global Note, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that nominal amount for all purposes and in the event the Permanent Global Note has become void, each relevant Accountholder will become entitled to proceed directly against the Issuer in respect of the relevant Notes and the bearer will have no further rights under the Permanent Global Note.

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

- (i) *Payments:* All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the details of such payment shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.
- (ii) *Notices:* Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and such Permanent Global Note is (or such Permanent Global Note and/or such Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, provided however that so long as the Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notice shall also be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) or if such publication is not practicable, in a leading English daily newspaper having general circulation in Europe.
- (iii) *Write-Down/Reinstatement of the Notes:* While all the Notes are represented by one or more Global Notes and such Global Note(s) are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, any Write-Down or Reinstatement of the Outstanding Principal Amount of the Notes shall be treated on a *pro rata* basis which, for the avoidance of doubt, shall be effected as a reduction or increase, as the case may be, to the relevant pool factor.

## PROVISIONS FOR MEETINGS OF NOTEHOLDERS

The following are the provisions for convening meetings of Noteholders in accordance with Condition 15 (Meetings of Noteholders) of the Terms and Conditions of the Notes, as set out in Schedule 5 of the Agency Agreement.

### 1. DEFINITIONS

In this Agency Agreement and the Conditions, the following expressions have the following meanings:

1.1 "**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 8 (*Chairman*);

"**Extraordinary Resolution**" means a resolution passed at a Meeting duly convened and held in accordance with this Schedule 5 by a majority of not less than three quarters of the votes cast;

"**Meeting**" means a meeting of Noteholders (including by way of conference call or by use of a videoconference platform) (whether originally convened or resumed following an adjournment and including, if applicable, a Single Call Meeting);

"**Relevant Fraction**" means:

- (a) for all business other than voting on an Extraordinary Resolution, one tenth of the aggregate principal amount of the outstanding Notes;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, more than half of the aggregate principal amount of the outstanding Notes;
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, three quarters of the aggregate principal amount of the outstanding Notes; and

**provided, however, that**, in the case of a Meeting which has resumed after adjournment for want of a quorum or, if applicable, a Single Call Meeting, it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Notes represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one quarter of the aggregate principal amount of the outstanding Notes;

"**Reserved Matter**" means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as a consequence of a Permitted Reorganisation);
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution;
- (e) to amend the provisions contained in Condition 4.1 (*Status and Subordination of the Notes – Status of the Notes*), save where such amendment is made pursuant to the modification provisions set out in Condition 15.3 (*Modification following a Regulatory Event, Alignment Event or a Tax Event, or to ensure effectiveness or enforceability of bail-in*); or

(f) to amend this definition;

"**Single Call Meeting**" means a meeting to be held on a single call (*unica convocazione*);

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule 5, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

"**24 hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant Meeting is to be held and in each of the places where the Paying Agents have their Specified Offices (disregarding for this purpose the day upon which such 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

"**48 hours**" means 2 consecutive periods of 24 hours.

1.2 "**Block Voting Instruction**" means, in relation to any Meeting, a document in the English language issued by a Paying Agent:

- (a) certifying that the Deposited Notes have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
  - (i) the conclusion of the Meeting; and
  - (ii) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the Deposited Notes and notification thereof by such Paying Agent to the Issuer;
- (b) certifying that the depositor of each Deposited Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such Deposited Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (c) listing the total number and (if in definitive form) the certificate numbers of the Deposited Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, or abstain from, the resolution; and
- (d) authorising a named individual or individuals to vote in respect of the Deposited Notes in accordance with such instructions;

"**Deposited Notes**" means certain specified Notes which have been deposited with a Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction or a Voting Certificate;

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction other than:

- (a) any such person whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

"**Voter**" means, in relation to any Meeting, the bearer of a Voting Certificate, Proxy or the bearer of a definitive Note who produces such definitive Note at the Meeting;

"**Voting Certificate**" means, in relation to any Meeting, a certificate in the English language issued by a Paying Agent and dated in which it is stated:

- (a) that the Deposited Notes have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
  - (i) the conclusion of the Meeting; and
  - (ii) the surrender of such certificate to such Paying Agent; and
- (b) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Deposited Notes.

## 2. **ISSUE OF VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS**

The holder of a Note may obtain a Voting Certificate from any Paying Agent or require any Paying Agent to issue a Block Voting Instruction by depositing such Note with such Paying Agent or arranging for such Note to be (to its satisfaction) held to its order or under its control or blocked in an account with a clearing system (i) not later than 48 hours before the time fixed for the relevant Meeting; or (ii) not later than any different period before the date fixed for the relevant Meeting which may be prescribed by applicable law (including, without limitation, applicable provision of the Italian Financial Act). A Voting Certificate or Block Voting Instruction shall be valid until the release of the Deposited Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

## 3. **REFERENCES TO DEPOSIT/RELEASE OR BLOCKING/RELEASE OF NOTES**

Where Notes are represented by a Temporary Global Note and/or a Permanent Global Note or are held in definitive form within a clearing system, references to the deposit, or release, of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

## 4. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY**

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the relevant Paying Agent or at some other place approved by the Issuer, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Issuer requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Issuer shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

## 5. **RECORD DATE**

The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum. Such date (the "**Record Date**") shall to be determined in accordance with applicable Italian laws and shall be indicated in the notice convening the Meeting. The holder of the relevant Notes (or, if the Notes are represented by a Global Note, the person in whose account with the clearing systems the interest in the relevant Note is held as resulting from the records of the clearing system) at the close of business on the Record Date shall be deemed to be

the holder of such Note for the purposes of such Meeting and notwithstanding any subsequent transfer of such Note.

## 6. CONVENING OF MEETING

The Issuer may convene a Meeting at any time, and the Issuer shall be obliged to do so upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. Every Meeting shall be held on a date, and at a time and place, approved by the Issuer (including by way of conference call or by use of a videoconference platform).

## 7. NOTICE

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agents (with a copy to the Issuer) where the Meeting is convened by the Issuer.

The notice shall set out (*inter alia*) the full text of any resolutions to be proposed unless the Issuer agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that the Notes may be deposited with, or to the order of, any Paying Agent for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting. The notice may also specify the date on which the Meeting will be held if adjourned for want of quorum, which shall be not less than one day and not more than 30 days following the date of the Meeting that is to be adjourned.

## 8. CHAIRMAN

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

## 9. QUORUM

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction;**provided, however, that**, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by the Temporary Global Note and/or the Permanent Global Note, a Voter appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two Voters for the purpose of forming a quorum.

## 10. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting (other than a Single Call Meeting) a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) or, if applicable, to the date indicated in the original notice convening such Meeting, and to such place as the Chairman determines (with the approval of the Issuer); **provided, however, that:**
  - (i) the Meeting shall be dissolved if the Issuer so decides; and
  - (ii) no Meeting may be adjourned more than once for want of a quorum.

## 11. ADJOURNED MEETING OTHER THAN FOR WANT OF QUORUM

The Chairman may, with the consent of, and shall if directed by, Voters holding or representing at least one third of the aggregate principal amount of the Notes represented at any Meeting (including a Single Call Meeting) adjourn such Meeting from time to time (but no later than five calendar days after the original date of such Meeting) and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

## 12. NOTICE FOLLOWING ADJOURNMENT

Paragraph 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum unless details of the adjourned Meeting are already stated in the notice convening the original Meeting, save that:

- (i) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (ii) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

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

## 13. PARTICIPATION

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer;
- (c) the financial advisers of the Issuer;
- (d) the legal counsel to the Issuer and such advisers;
- (e) any other person approved by the Meeting; and
- (f) the Fiscal Agent.

## 14. VOTES

Every Voter shall have one vote in respect of each €1,000 or such other amount as the Issuer may in its absolute discretion stipulate in original principal amount of the outstanding Note(s) represented or held by him.

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

## 15. VALIDITY OF VOTES BY PROXIES

15.1 Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, **provided that** neither the Issuer, the Fiscal Agent nor the Chairman has been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting.

15.2 Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an

adjournment; **provided, however, that** no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction to vote at the Meeting when it is resumed.

## **16. POWERS**

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

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any provisions of this Agency Agreement or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes (without prejudice to any such action that, according to this Agency Agreement or the Conditions, may be taken without approval by the Noteholders);
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes (without prejudice to any such substitution in the context of a Permitted Reorganization that, according to the Conditions, does not require approval by the Noteholders);
- (d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- (e) to authorise any person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (f) to give any other authorisation or approval which under the Conditions or the Notes is required to be given by Extraordinary Resolution; and
- (g) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

## **17. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS**

An Extraordinary Resolution shall be binding upon all Noteholders and Couponholders, whether or not present at such Meeting, and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and to the Paying Agents within 14 days of the conclusion of the Meeting.

## **18. MINUTES**

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

## **19. WRITTEN RESOLUTION**

If and to the extent permitted under the laws, legislation, rules and regulations of the Issuer's place of incorporation in force from time to time, a Written Resolution shall take effect as if it were an Extraordinary Resolution.



**20. FURTHER REGULATIONS**

All provisions set out in this Schedule 5 are subject to compliance with the laws, legislation, rules and regulations of the Republic of Italy in force from time to time (including, to the extent applicable to the Issuer and/or the Notes, any provisions applicable to issuers of listed financial instruments) and shall be deemed to be amended, replaced and/or supplemented to the extent that such laws, legislation, rules and regulations are amended, replaced and/or supplemented at any time while the Notes remain outstanding.

Subject to all other provisions contained in this Agency Agreement, the Issuer may without the consent of the Noteholders prescribe such further regulations regarding the holding of Meetings of Noteholders and attendance and voting at them as the Issuer may in its sole discretion determine.

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes will amount to €1,000,000,000 and will be used by the Issuer for its general funding purposes and regulatory capital purposes of the Group.

## DESCRIPTION OF THE ISSUER

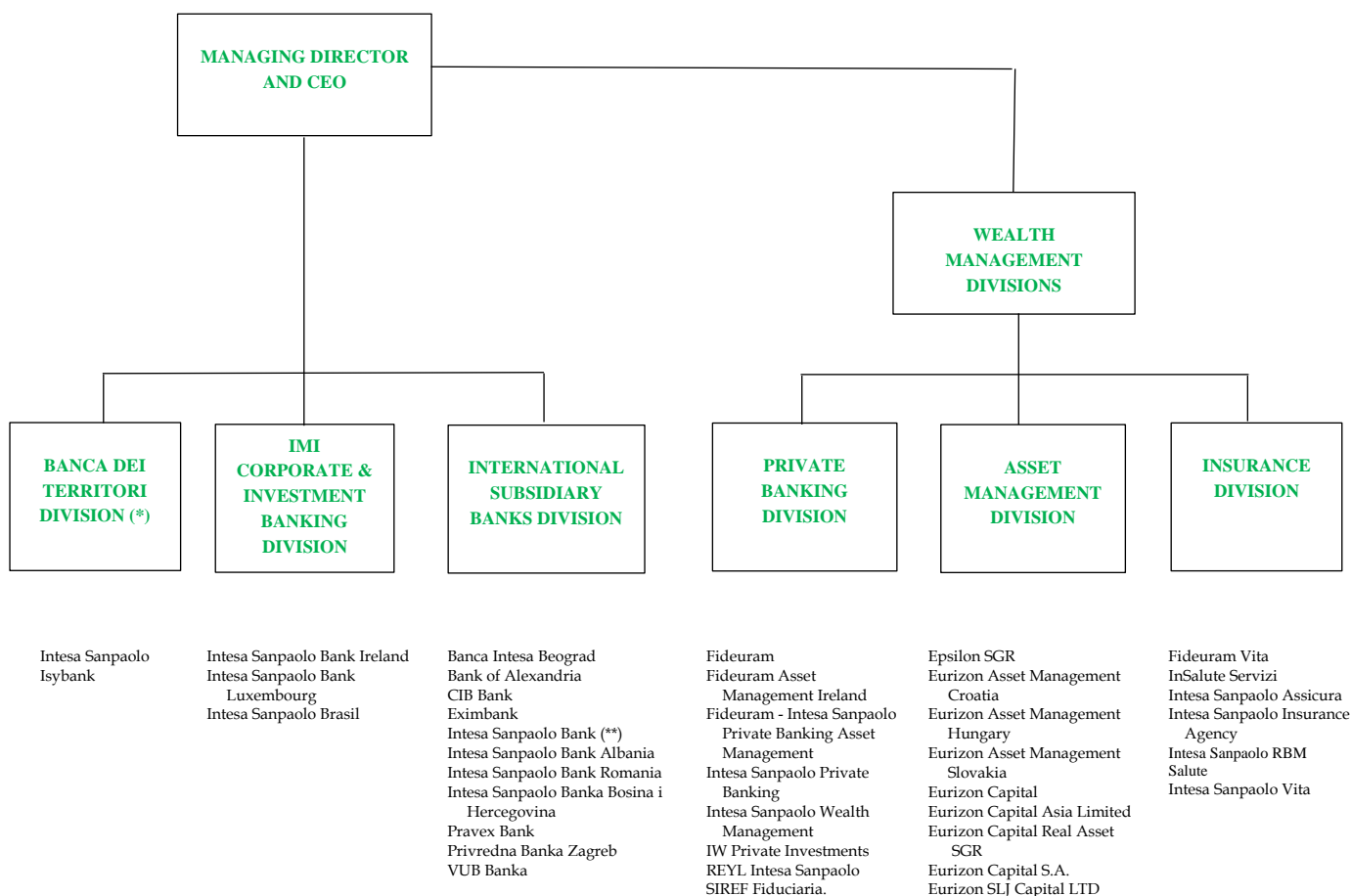
Please refer to the information on the Issuer and the Intesa Sanpaolo Group in the documents incorporated by reference as set out in the section headed “*Information Incorporated by Reference*”.

### Share Capital

As at the date of this Prospectus, Intesa Sanpaolo's issued and paid-up share capital amounted to €10,368,870,930.08, divided into no. 18,282,798,989 ordinary shares without nominal value.

The Issuer is not aware of any arrangements currently in place, the operation of which may at a subsequent date result in a change of control of the Issuer.

### Organisational Structure of the Divisions as at 6 May 2024



(\*) Domestic Commercial Banking

(\*\*) Slovenia

The Intesa Sanpaolo Group is a banking group in Italy with 13.6 million customers through a network of over 3,300 branches (as at 31 March 2024) well distributed throughout the country. The Intesa Sanpaolo Group is a provider of financial products and services to both households and enterprises in Italy.

The Intesa Sanpaolo Group has a strategic international presence, with over 900 branches and 7.3 million customers (as at 31 March 2024), and operates in several countries in Central Eastern Europe and in the Middle East and North Africa through its local subsidiary banks.

As at 31 December 2023, the Intesa Sanpaolo Group had total assets of €963,570 million (€974,587 million at 31 December 2022), customers loans of €429,540 million (€446,854 million at 31 December 2022), direct deposits from banking business of €576,136 million (€545,386 million at 31 December 2022) and direct deposits from insurance business of €172,746 million (€173,672 million at 31 December 2022). As at 31 March 2024, the Intesa Sanpaolo Group had total assets of €931,596 million, customers loans of €423,254 million, direct deposits from banking business of €575,926 million and direct deposits from insurance business of €173,776 million.

The Intesa Sanpaolo Group operates through six divisions:

- a) **The Banca dei Territori division:** focuses on the market and centrality of the territory for stronger relations with individuals, small and medium-sized enterprises and non-profit entities. The division includes the activities in industrial credit, leasing and factoring, as well as the digital bank Isybank (which also operates in instant banking through Mooney, the partnership with the ENEL Group).
- b) **The IMI Corporate & Investment Banking division:** a global partner which, taking a medium-long term view, supports corporates, financial institutions and public administration, both nationally and internationally. Its main activities include capital markets and investment banking. The division is present in 24 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices and subsidiary banks focused on corporate banking.
- c) **The International Subsidiary Banks division:** includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.
- d) **The Private Banking division:** serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking with 6,749 private bankers.
- e) **The Asset Management division:** asset management solutions targeted at the Intesa Sanpaolo Group's customers, commercial networks outside the Intesa Sanpaolo Group, and institutional clientele. The division includes Eurizon with € 316 billion of assets under management.
- f) **The Insurance division:** insurance and pension products tailored for the Intesa Sanpaolo Group's clients. The division holds direct deposits of € 174 billion and includes Intesa Sanpaolo Vita - which controls Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, Intesa Sanpaolo Insurance Agency and InSalute Servizi - and Fideuram Vita.

In the first quarter of 2024, the Wealth Management Divisions structure was established, to which the Private Banking division, the Asset Management division and the Insurance division report, providing a single unit overseeing the wealth management activities, with the aim of accelerating growth and increasing the integration of product factories.

## Exposure to Russia

For a discussion of the Group's exposure to Russia, see the paragraph "*The military conflict between Russia and Ukraine*" in "*Report on operations – Overview of 2023*" (pages 36-39) and the paragraph "*The valuation impacts for the ISP Group of the military conflict between Russia and Ukraine*" in "*Part E (Information on risks and relative hedging policies)*" in the notes to the consolidated financial statements (pages 465-468) of the 2023 Annual Report, incorporated by reference in this Prospectus.

As at 31 March 2024, the exposure to Russia<sup>6</sup> was further reduced: down by around 84% (over €3 billion) on end of June 2022 to 0.1% of the Group's total customer loans. Cross-border loans to Russia were largely performing and classified in Stage 2.

## Conflicts of interest

As at the date of this Prospectus and to Intesa Sanpaolo's knowledge, no member of the Board of Directors of Intesa Sanpaolo has potential conflicts of interest between any duties to the Issuer and their private interests and/or other duties.

The Issuer and its corporate bodies have adopted special controls in place to manage the risk deriving from potential conflicts of interest connected with the particular proximity of certain parties to its decision-making centers.

## Principal Shareholders

As of 24 April 2024, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 3%<sup>(\*)</sup>).

SHAREHOLDER	ORDINARY SHARES	% OF ORDINARY SHARES
Fondazione Compagnia di San Paolo	1,188,947,304	6.503%
Fondazione Cariplo	961,333,900	5.258%

(\*) Shareholders that are fund management companies may be exempted from disclosure up to the 5% threshold. BlackRock Inc. disclosed a 5.005% holding in the share capital of Intesa Sanpaolo, notified in Form 120 A dated 9 December 2020, as well as a 5.066% aggregate holding in the Bank's share capital, notified in Form 120 B dated 4 December 2020, and has not provided any update of these holdings following the subsequent changes in the number of shares into which the share capital of Intesa Sanpaolo is divided.

Note: figures may not add up exactly due to rounding differences.

Figures updated based on the results from the register of shareholders and the latest communications received.

The Italian regulations (Article 120 of the Consolidated Law on Finance "TUF") set forth that holdings exceeding 3% of the voting capital of a listed company should be communicated to both that company and CONSOB. Moreover, under Article 19 of the Consolidated Law on Banking "TUB", prior authorisation by the Bank of Italy is required for the acquisition of holdings of capital in banks that are either significant or make it possible to exercise significant influence, or confer a share of voting rights or capital equal to at least 10%.

The Italian regulations also set forth the obligation to disclose any agreements between shareholders.

Furthermore, Article 120, paragraph 4-bis, of the "TUF" sets forth the obligation for investors who acquire holdings in listed issuers with Italy as home Member State, equal to or above 10% of the relevant capital or a lower threshold as defined by CONSOB, to declare the objectives they are pursuing.

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<sup>6</sup> On-balance credit exposure to customers, both cross-border and at the Russian subsidiary Banca Intesa, net of guarantees by Export Credit Agencies and after adjustments. As at 31 March 2024, after adjustments, the on-balance cross-border credit exposure to Russia amounted to €0.50 billion of which €0.49 billion to customers, net of €0.8 billion guarantees by Export Credit Agencies (no off-balance to customers and off-balance of €0.07 billion to banks, net of €0.3 billion guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.8 billion, of which €0.11 billion to customers, for Banca Intesa in Russia and €0.06 billion, to banks, for Praxex Bank in Ukraine (off-balance, to customers, of €0.04 billion for the Russian subsidiary and €0.04 billion for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.25bn.

## Recent Events

### *Buyback of own shares*

On 11 March 2024, Intesa Sanpaolo announced that it received the ECB authorisation regarding a purchase of own shares for annulment (buyback) for a maximum total outlay of 1.7 billion euro. The buyback has been approved by the shareholders at the ordinary shareholders' meeting of 24 April 2024.

The buyback transaction is currently intended to be launched in June 2024.

### *Shareholders' meeting*

The shareholders' meeting of Intesa Sanpaolo held on 24 April 2024. The meeting approved the parent company's 2023 financial statements.

See further the press release dated 24 April 2024, incorporated by reference in this Prospectus.

### *Approval of 2024 1Q consolidated results*

On 3 May 2024, the Board of Directors approved the consolidated interim statement as at 31 March 2024. See further the press release dated 3 May 2024, incorporated by reference in this Prospectus.

See also the paragraph "Recent Events" in the "Description of Intesa Sanpaolo S.p.A." section of the EMTN Base Prospectus, incorporated by reference in this Prospectus.

## Regulatory capital ratios

At 31 March 2024, deducting from capital<sup>7</sup> €1.6 billion of dividends accrued in the first quarter and €1.7 billion of the buyback to be launched in June 2024, Common Equity Tier 1 ratio was 13.3%<sup>8</sup> (not considering the benefit of around 120 basis points deriving from the absorption of deferred tax assets (DTAs) of which around 20 basis points within the 2024 2Q – 2025 horizon). This compares with a SREP requirement<sup>9</sup>, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer<sup>10</sup>, equal to 9.34% for 2024. Tier 1 ratio was 15.9% and Total capital ratio was 18.9%.

The MREL ratio (based on preliminary management figures), calculated on risk-weighted assets, as at 31 March 2024 was 40.6% for the total and 22.6% for the subordination component, compared with the requirements of 25.9% and 17.7%, respectively, comprising a Combined Buffer Requirement of 4%.

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<sup>7</sup> Deducting from capital also the coupons accrued on the Additional Tier 1 issuances.

<sup>8</sup> Estimated pro-forma Common Equity Tier 1 ratio of 14.7%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285 million covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 2023 net income of insurance companies.

<sup>9</sup> Applying the regulatory change introduced by the ECB with effect from 12 March 2020, which establishes that the capital instruments not qualifying as Common Equity Tier 1 may be partially used to meet the Pillar 2 requirement

<sup>10</sup> Countercyclical Capital Buffer calculated taking into account the exposure as at 31 March 2024 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2023 and the first half of 2024).

## Distributable Items

The table below sets forth the estimated available Distributable Items (as defined in Article 4(128) of CRR) for the Issuer as of 31 December 2023 and 2022.

Distributable Items	As of 31 December 2023	As of 31 December 2022
Issuer's Distributable Items <sup>(1)</sup>	approximately €28 billion	approximately €27 billion

- (1) This is an estimate based on the Issuer's current understanding of the Applicable Banking Regulations. The Issuer will not make an interest payment on any Notes on any Interest Payment Date if the Issuer has an amount of Distributable Items (as defined in the Conditions) 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 instruments of the Issuer (including any additional amounts in respect thereof but excluding any such distributions or interest payments on Tier 2 Capital 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 Instruments that have been written down, in each case, paid or scheduled to be paid in the then financial year. See further Condition 6.2 (*Restriction on interest payments*) of the Terms and Conditions of the Notes.

The CET1 ratios of the Issuer and the Group will depend on their respective levels of net income, their ability to limit their total risk exposure, and other factors, including those described under "*Risk Factors*" in this Prospectus. See also the risk factors headed "*The principal amount of the Notes may be reduced to absorb losses,*" "*The circumstances surrounding a Trigger Event are unpredictable, and there are a number of factors that could affect the CET1 ratio*" and "*The ability of the Issuer to make payments under the Notes depends on its Distributable Items and, in certain circumstances, its Maximum Distributable Amount*".

## Alternative Performance Measures

This Prospectus contains (or incorporates by reference) certain financial measures (including the Issuer's consolidated profitability ratios and consolidated risk ratios, as well as certain other financial highlights and alternative performance indicators contained in information incorporated by reference in this Prospectus) that the Issuer considers to constitute alternative performance measures ("**APMs**") for the purposes of the ESMA (European Securities Markets Authority) Guidelines on Alternative Performance Measures (the "**Guidelines**"), and in relation to which the Guidelines apply.

See further description of the APMs in the paragraph headed "*Alternative Performance Measures and Other information*" appearing at pages 169 – 175 of the Intesa Sanpaolo Group 2023 Annual Report (incorporated by reference in this Prospectus) and the reconciliation statements appearing in the Attachments to the Intesa Sanpaolo Group 2023 Annual Report, incorporated by reference into this Prospectus, for reconciliation of certain items comprised in these financial measures.

The Issuer believes that the above measures provide useful information to investors regarding the financial position, cash-flows and financial performance and are also used by the management in decision-making processes. In particular, these measures better illustrate specific aspects and trends of the Issuer's business activities.

## REGULATORY SECTION

Please refer to the section "*Regulatory Section*" (pages 330-347) in EMTN Base Prospectus incorporated by reference in this Prospectus, as set out in the section headed "*Information Incorporated by Reference*".



## 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 on any matters concerning the overall tax consequences of their ownership of the Notes.

### Republic of Italy

#### 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 ("**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 periodic interest) 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, as subsequently amended ("**Decree No. 138**") from time to time.

#### *Italian Resident Noteholders*

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

- (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected; or
- (ii) a partnership pursuant to art. 5 of Decree no. 917/1986 (other than a *società in nome collettivo* or a *società in accomandita semplice* or similar entities), not carrying out commercial activities; or
- (iii) a private or public institution (other than companies and undertakings for collective investment),

trusts not carrying out mainly or exclusively commercial activities, the Italian State or public and territorial entities; or

(iv) 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 he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime (the "**Asset Management Regime**") according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended and supplemented from time to time ("**Decree No. 461**"). 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 or claimed for refund in the relevant tax return.

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

Intermediaries must a) be (i) resident in Italy, or (ii) permanent establishments in Italy of a non-Italian resident Intermediary, or (iii) 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 239; and b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with a qualified Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian Intermediary (or permanent establishment in Italy of a non-resident financial 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 including 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**"), investment companies with a variable capital ("**SICAVs**"), investment companies with fixed capital ("**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) Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Asset Management Regime. Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, Noteholders indicated above under (a) to (d) must be the beneficial owners of payments of Interest on the Notes and timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with a qualified Intermediary.

Where the Notes and the relevant coupons 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.

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

Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime are subject to a 26 per cent. annual 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 established in Italy and either (i) the Fund, the SICAF or the SICAV or (ii) their manager is subject to supervision by the competent regulatory authority and the Notes are deposited in due time with an authorised intermediary, together with the coupons relating to such Notes, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva* nor to any other income tax, but must be included in the financial results of the Fund, SICAV or non-real estate SICAF at the end of each tax period. 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 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 a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the 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. 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 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
- (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are 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 depository 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*, the non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes (institutional investors that do not possess the status of taxpayer are deemed to be beneficial owners by operation of law);
- (b) timely deposit the Notes with the coupons relating to such Notes directly or indirectly with an Italian resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM, participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that the relevant Noteholder is resident, for tax purposes, in a White List State. 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 needs not to be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The affidavit (*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.

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* on Interest payments to a non-Italian resident Noteholder.

Non-resident Noteholders who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant 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 (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.

In respect of the application of *imposta sostitutiva*, taxpayers may choose one of the three regimes described below.

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 under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with an 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 a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the Italian law, as amended and supplemented from time to time.

In 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 a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the 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 subject to tax, in the hands of the unitholder; subject to certain conditions. 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 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 capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident Noteholders without

a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23, first paragraph, letter f), of Decree No. 917, 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 the timely filing of required documentation (i.e. a self-declaration stating that the person is not resident in Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected) 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 the Noteholders are resident, for tax purposes in a state or territory included in the White List and are the beneficial owners of the capital gains. Under these circumstances, if non Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of Notes (institutional investors that do not possess the status of taxpayer are deemed to be beneficial owners by operation of law) issued by an Italian resident Issuer are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) foreign institutional investors established in countries included in the White List, even if they do not possess the status of taxpayer therein; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State; and
- (b) in any event, Noteholders that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes, provided that such Noteholders are eligible to benefit from the aforementioned treaties.

### **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 or gift (or other transfers for no 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:

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

- (iv) 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 a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the 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 are 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, as inferable from the intermediary's records.

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) 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, Italian resident individuals and, starting from fiscal year 2020, non-commercial entities, certain partnerships and similar institutions, holding financial assets, including the Notes, outside of the Italian territory are required to declare such assets in their own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent (IVAFE). Starting from fiscal year 2024, the wealth tax applies at the rate of 0.4% for financial assets held in countries or territories with a privileged tax regime and listed in the Ministerial Decree dated 4 May 1999. Starting from fiscal year 2020, the wealth tax cannot exceed €14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined,



on the purchase value of any financial asset (including the Notes) held abroad 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 IVAFE, 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. In this case, the above mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree 642 does apply.

### **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).

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 (or deemed to be 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

BofA Securities Europe SA, Barclays Bank Ireland PLC, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Continental Europe, Intesa Sanpaolo S.p.A., J.P. Morgan SE and Morgan Stanley & Co. International plc (the “**Joint Lead Managers**” and each, a “**Joint Lead Manager**”) and Banca Akros S.p.A., Eurobank SA and Piraeus Bank S.A. (together, the “**Co-Lead Managers**” and together with the Joint Lead Managers, the “**Managers**”) have, in a subscription agreement dated 16 May 2024 (the “**Subscription Agreement**”) and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount, less commissions. The Issuer has also agreed to reimburse the Managers for certain of the expenses incurred in connection with the management of the issue of the Notes. The Managers 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.

### United States

The Notes have not been, nor will they 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 United States Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes 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.

In addition, until 40 days after the commencement of the offering of Notes, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### Prohibition of Sales to EEA Retail Investors

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available, any Notes to any retail investor in the EEA.

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

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); and/or
- (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Prohibition of Sales to UK Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

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

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, 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 United Kingdom domestic law by virtue of the EUWA.

### **Selling Restrictions addressing additional United Kingdom securities laws**

Each Manager has further represented and agreed that:

- (a) 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 the sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or, would not if it were not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2, letter e) of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and/or Italian CONSOB regulations; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any other applicable Italian laws and regulations.

Any 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 under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended (the

“**Italian Banking Act**”), and any other applicable laws and regulations;

- (ii) comply with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, both as amended from time to time); and/or any other Italian authority.

## **Hong Kong**

Each Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under the SFO.

## **People's Republic of China**

Each Manager has represented and agreed that the Notes will not be offered or sold directly or indirectly in the PRC (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan Region) as part of the initial distribution of the Notes. This Prospectus or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested by the PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People’s Bank of China, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the National Administration of Financial Regulation, other relevant regulatory bodies and successors of the aforementioned governmental and regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

## **Singapore**

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted 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 (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, or (b) 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.

## **Japan**

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

## **France**

Each Manager has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), as defined in Article 2(e) of the Prospectus Regulation in accordance with Articles L.341-2, 1° and L.411-2, 1° of the French *Code monétaire et financier*.

## **General**

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any related offering material, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or delivery and none of the Issuer and the other Managers shall have any responsibility therefor.

No action has been or will be taken in any country or jurisdiction by the Issuer or the Managers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer, and the Managers to comply with all applicable laws and

regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

## GENERAL INFORMATION

### Authorisations

The creation and the issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 6 February 2024.

### Listing and admission to trading

Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Professional Segment of the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). The admission to trading of the Notes is expected on 20 May 2024.

In accordance with Article 6(4) of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer.

### Expenses related to admission to trading

The total expenses related to admission to trading of the Notes are estimated at € 18,000, consisting in listing and listing agent's fees. Such expenses will not be deducted from the proceeds of the Notes.

### Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Common Code and ISIN for the Notes are as follows:

ISIN:	XS2824056522
Common Code:	282405652

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

### Eurosystem eligibility

The Notes are intended to be held in a manner which would allow Eurosystem eligibility and as such the Global Notes representing the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Notes represented by the Global Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life, such recognition depending upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.



## **Litigation**

Save as disclosed in the paragraphs “*Legal Risks*” and “*Tax Litigation*” in Part E (*Information on risks and relative hedging policies*) (pages 561-579) of the 2023 Annual Report, incorporated by reference in this Prospectus, neither the Issuer nor any member of the Intesa Sanpaolo Group is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Intesa Sanpaolo Group's financial position or profitability and, so far as Intesa Sanpaolo is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

## **Trend information/No Material Change**

Since 31 December 2023, there has been no material adverse change in the prospects of the Issuer, and since 31 March 2024, there has been no significant change in the financial performance of the Group.

Since 31 March 2024, there has been no significant change in the financial position of the Intesa Sanpaolo Group.

## **Material contracts**

Neither the Issuer nor any of its subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to Noteholders.

## **Documents available for inspection**

For the term of this Prospectus, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer and at the specified office of the Fiscal Agent, namely:

- (a) this Prospectus and any other information incorporated herein or therein by reference;
- (b) the Agency Agreement; and
- (c) the By-laws of the Issuer.

For the term of this Prospectus, the up-to-date By-laws of the Issuer are available at the following website: [https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/Contenuti/RISORSE/Documenti%20PDF/en\\_governance/20230508\\_Statuto\\_uk.pdf](https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/Contenuti/RISORSE/Documenti%20PDF/en_governance/20230508_Statuto_uk.pdf).

In addition, copies of this Prospectus and each document incorporated by reference (including the financial statements referred to in paragraph (a) of “*Financial Statements available*” below and the reports of the independent auditors thereon) are available on the Luxembourg Stock Exchange's website (<https://www.luxse.com>) and, for at least ten years after the publication of this Prospectus, at the following website: <https://group.intesasanpaolo.com/en/investor-relations/prospectus/international-issue-documents/perpetual-subordinated-notes>.

## Financial statements available

For so long as the Notes are outstanding and for the term of this Prospectus, copies and, where appropriate, English translations of the following financial information may be obtained during normal business hours at the registered office of the Issuer and at the specified office of the Fiscal Agent, namely:

- (a) the audited consolidated annual financial statements of Intesa Sanpaolo Group as at and for the years ended 31 December 2022 and 2023;
- (b) the most recent audited annual, or unaudited interim, consolidated financial information of Intesa Sanpaolo published from time to time (whether audited or unaudited), commencing with (following publication) its unaudited consolidated interim statement as at and for the three months ended 31 March 2024,

in each case, together with the accompanying notes and any independent auditors' report (if available).

## Independent auditors

On 30 April 2019, the ordinary shareholders' meeting of Intesa Sanpaolo appointed EY S.p.A. as independent auditors for the financial years 2021-2029. EY S.p.A. is independent public accounting firm registered under number 70945 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) held by the Italian Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012. EY S.p.A. is also a member of ASSIREVI – *Associazione Italiana delle Società di Revisione Legale*, being the Italian Auditors Association. The business address of EY S.p.A. is Via Meravigli 12, 20123 Milan, Italy. EY S.p.A. audited, in accordance with International Standards on Auditing (ISA Italia), the consolidated financial statements of Intesa Sanpaolo S.p.A., as at and for the years ended 31 December 2022 and 2023, as stated in the English translation of their audit reports on the 2022 Annual Report and the 2023 Annual Report, incorporated by reference in this Prospectus.

## Yield

There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption and the Issuer is not obliged, 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 Issue Price and the Initial Rate of Interest from (and including) the Issue Date up to (and excluding) the First Reset Date and assuming no write-down during such period, would be 7.123 per cent. per annum. It is not an indication of the actual yield for such period nor of any future yield.

## Potential conflicts of interest

Save for the commissions payable to the Managers, so far the Issuer is aware, there are no interests, conflicting or otherwise, of natural and legal persons involved in the issue of the Notes that are material to the issue of the Notes.

Certain Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into

hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or their affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of long and/or short positions in securities, including potentially the Notes. Any such long and/or short positions could adversely affect future trading prices of Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Furthermore, potential conflicts of interest may exist between the Calculation Agent and the Noteholders. See further *“Risk Factors – Risks related to the structure of the Notes – Potential conflicts of interest”*.

### **Legend**

The Notes and any Coupons appertaining thereto will bear a legend to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

### **Rating of the Notes:**

The Notes are expected, on issue, to be rated “Ba3” by Moody’s, “BB-” by S&P, “BB-” by Fitch and “BBL” by Morningstar DBRS.

Moody’s defines “Ba3” as follows: Obligations rated “Ba” are judged to be speculative and are subject to substantial credit risk. Moody’s appends numerical modifiers 1, 2, and 3 to each generic rating classification from “Aa” through “Caa”. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a “(hyb)” indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms. By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security (Moody’s Rating Symbols and Definitions, 9 November 2023).

S&P defines “BB-” as follows: Obligations rated “BB”, “B”, “CCC”, “CC”, and “C” are regarded as having significant speculative characteristics. “BB” indicates the least degree of speculation and “C” the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions. An obligation rated “BB” is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. Ratings from “AA” to “CCC” may be modified by the addition

of a plus (+) or minus (-) sign to show relative standing within the rating categories (S&P Global Ratings Definition dated 9 June 2023).

Fitch defines “BB-” as follows: “BB” ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. Within rating categories, Fitch may use modifiers. The modifiers “+” or “-” may be appended to a rating (Fitch Ratings, Rating Definitions 24 April 2023).

Morningstar DBRS defines “BBL” as follows: The Morningstar DBRS long-term credit ratings provide opinions on risk of default. Morningstar DBRS considers risk of default to be the risk that an issuer will fail to satisfy the financial obligations in accordance with the terms under which a long-term obligation has been issued. Credit ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories from AA to CCC contain the subcategories (high) and (low). The absence of either a (high) or (low) designation indicates the credit rating is in the middle of the category. “BB” indicates Speculative, non-investment grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events (DBRS Long-Term Obligations Rating Scale, Effective Date: May 15, 2023).

**THE ISSUER**

**Intesa Sanpaolo S.p.A.**

Piazza San Carlo, 156  
10121 Turin  
Italy

**JOINT LEAD MANAGERS**

**Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
D02 RF29  
Ireland

**BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

**Deutsche Bank Aktiengesellschaft**

Taunusanlage 12  
60325 Frankfurt am Main  
Germany

**Goldman Sachs International**

Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

**HSBC Continental Europe**

38, avenue Kléber  
75116 Paris  
France

**Intesa Sanpaolo S.p.A.**

Divisione IMI Corporate & Investment Banking  
Via Manzoni 4  
20121 Milan  
Italy

**J.P. Morgan SE**

Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**CO-LEAD MANAGERS**

**Banca Akros S.p.A.**

Viale Eginardo, 29  
20149 Milan  
Italy

**Eurobank SA**

8, Othonos Street  
10557 Athens  
Greece

**Piraeus Bank**

4 Amerikis Str.  
105 64 Athens  
Greece

**FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT**

**Deutsche Bank AG, London Branch**

21 Moorfields  
London EC2Y 9DB  
United Kingdom

**LEGAL ADVISERS**

*To the Issuer as to Italian Law*

**Studio Legale Cappelli RCCD e Associati**

Piazza Castello, 27

20121 Milan

Italy

*To the Joint Lead Managers as to English and Italian law*

**Clifford Chance Studio Legale Associato**

Via Broletto, 16

20121 Milan

Italy

**INDEPENDENT AUDITORS TO THE ISSUER**

**EY S.p.A.**

Via Meravigli 12

20123 Milan, Italy

**LISTING AGENT**

**Intesa Sanpaolo Bank Luxembourg S.A.**

28, Boulevard de Kockelscheuer

L-1821 Luxembourg

Grand Duchy of Luxembourg