

LISTING PARTICULARS



FINECOBANK S.p.A.

(incorporated with limited liability as a *Società per Azioni* in the Republic of Italy under registered number 01392970404)

Issue of €500,000,000 Fixed to Floating Rate Callable Senior Preferred Notes due 21 October 2027

Issue Price: 99.71 per cent.

The €500,000,000 Fixed to Floating Rate Callable Senior Preferred Notes due 21 October 2027 (the **Notes**) will be issued by FinecoBank S.p.A. (the **Issuer** or **FinecoBank**). The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, as described in Condition 4 (*Status of the Notes*) in “*Terms and Conditions of the Notes*” and will be governed by, and construed in accordance with, Italian law, as described in Condition 17 (*Governing Law and Jurisdiction*) in “*Terms and Conditions of the Notes*”.

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

The Notes will bear interest at the rate of 0.500 per cent. per annum from, and including, 21 October 2021 (the **Issue Date**) to, but excluding, 21 October 2026 (the **Call Date**). Thereafter, the Notes will bear interest at a rate of 0.70 per cent. per annum above 3-month EURIBOR being the Euro-zone inter-bank offered rate for three-month Euro deposits from, and including, the Call Date to, but excluding, the Floating Interest Payment Date falling on or nearest to 21 October 2027 (the **Maturity Date**) (as provided in Condition 5 (*Interest*) in “*Terms and Conditions of the Notes*”). Fixed rate interest will be payable annually in arrear on 21 October in each year, commencing on 21 October 2022 and floating rate interest will be payable quarterly in arrear on 21 January 2027, 21 April 2027, 21 July 2027 and 21 October 2027, in each case subject to adjustment in accordance with the Modified Following Business Day Convention (as defined in “*Terms and Conditions of the Notes*”) (each a **Floating Interest Payment Date**).

Unless previously redeemed or purchased and cancelled as provided in “*Terms and Conditions of the Notes*”, the Notes will become repayable at their principal amount on the Maturity Date.

The Issuer may, at its sole discretion (but subject to the provisions of Condition 6.8 (*Conditions to redemption and purchase*) in “*Terms and Conditions of the Notes*”), redeem the Notes in whole, but not in part, on the Call Date at their principal amount, together with interest accrued to but excluding the Call Date, and any additional amounts due pursuant to Condition 8 (*Taxation*). The Issuer may also, at its sole discretion (but subject to the provisions of Condition 6.8 (*Conditions to redemption and purchase*) in “*Terms and Conditions of the Notes*”), redeem the Notes in whole, but not in part, at any time at their principal amount upon the occurrence of a MREL Disqualification Event or a Tax Event (both as defined in Condition 2 (*Definitions and Interpretation*) in the “*Terms and Conditions of the Notes*”) plus any accrued interest and any additional amounts due pursuant to Condition 8 (*Taxation*) in “*Terms and Conditions of the Notes*”.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the approval of this document as Listing Particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to listing on the official list (the **Official List**) of Euronext Dublin and to trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin, with effect from the Issue Date. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MIFID II**). References in these Listing Particulars to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on the Global Exchange Market. These Listing Particulars do not constitute a prospectus for the purposes of **Regulation (EU) 2017/1129**, as amended or superseded (the **Prospectus Regulation**) and, in accordance with such Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes.

Payments of interest or other amounts relating to the Notes may be subject to a substitute tax (referred to as *imposta sostitutiva*) of 26 per cent. in certain circumstances. In order to obtain exemption at source from *imposta sostitutiva* in respect of payments of interest or other amounts relating to the Notes, each Noteholder not resident in the Republic of Italy is required to comply with the deposit requirements described in “*Taxation – Taxation in the Republic of Italy*” and to certify, prior to or concurrently with the delivery of the Notes, that such Noteholder is, *inter alia*, (i) resident in a country which recognises the Italian tax authorities’ right to an exchange of information pursuant to terms and conditions set forth in the relevant treaty (such countries are listed in the Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended according to Article 11(4)(c) of Decree No. 239 of 1 April 1996 (as amended by Legislative Decree No. 147 of 14 September 2015)) and (ii) the beneficial owner of payments of interest, premium or other amounts relating to the Notes, all as more fully set out in “*Taxation – Taxation in the Republic of Italy*” on pages 125 to 131.

Amounts payable under the Notes are calculated by reference to EURIBOR which is provided by the European Money Markets Institute. As at the date of these Listing Particulars, European Money Markets Institute 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 (the **Benchmarks Regulation**).

The Notes have been rated "BBB" by S&P Global Ratings Europe Limited (**S&P**). S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the 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 agency.** Please also refer to "*Risk Factors – Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained*" section of these Listing Particulars.

The Notes will be issued in new global note (**NGN**) form and are intended to constitute eligible collateral for the Eurosystem monetary policy, provided the other eligibility criteria are met.

The Notes will be in bearer form and will be initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about the Issue Date with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the **Temporary Global Note**, the **Global Notes**), without interest coupons, on or after 30 November 2021 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances – see "*Overview of Provisions relating to the Notes while in Global Form*".

An investment in the Notes involves certain risks. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. For a discussion of these risks see "*Risk Factors*" below.

Joint Bookrunners and Joint Lead Managers

Citigroup

Mediobanca – Banca di Credito Finanziario S.p.A.

Morgan Stanley

UniCredit

The date of these Listing Particulars is 19 October 2021

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is in accordance with the facts and contains no omissions likely to affect its import.

These Listing Particulars are to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). These Listing Particulars shall be read and construed on the basis that such documents are incorporated and form part of these Listing Particulars.

The Joint Lead Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made by any of the Joint Lead Managers named under “*Subscription and Sale*” below or any of their respective affiliates and no responsibility or liability is accepted by any of the Joint Lead Managers or by any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in these Listing Particulars or of any other information provided by the Issuer in connection with the Notes. No Joint Lead Manager or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in these Listing Particulars or any other information provided by the Issuer in connection with the Notes. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under these Listing Particulars.

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

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

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

Neither these Listing Particulars nor any other information supplied in connection with the Notes (a) are intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, or any of the Joint Lead Managers that any recipient of these Listing Particulars or of any other information supplied by the Issuer or such other information as is in the public domain in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial conditions and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither these Listing Particulars nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in any Notes of any information coming to their attention. Investors should review, *inter alia*, the

documents incorporated by reference into these Listing Particulars when deciding whether or not to purchase any Notes. Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of these Listing Particulars.

These Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Listing Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that these Listing Particulars may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Notes or distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Listing Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Listing Particulars and the offer or sale of Notes in the United States (Regulation S), the United Kingdom, the EEA, the Republic of Italy and Switzerland. For a further description of certain restrictions on offers and sales of the Notes and on the distribution of these Listing Particulars, see "*Subscription and Sale*".

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs 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 PRIPs Regulation.

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

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

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (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 or to or for the account or benefit of U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder). The Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S (*Regulation S*) under the Securities Act. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of these Listing Particulars and other offering material relating to the Notes, see “Subscription and Sale”.

IMPORTANT – SWISS 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 Switzerland pursuant to Art. 4 para. 1 lit. a of the Swiss Financial Services Act (**FinSA**). For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of these Listing Particulars and other offering material relating to the Notes, see “Subscription and Sale”.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer, the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear 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 and appropriate addition of risk to their overall portfolios. A potential investor should not invest in 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.

Each prospective investor should consult its own advisers as to legal, tax and related aspects in connection with any investment in the Notes. An investor's effective yield on the Notes may be diminished by certain charges such as taxes, duties, custodian fees on that investor on its investment in the Notes or the way in which such investment is held.

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

These Listing Particulars, including the documents incorporated by reference herein, contain forward-looking statements. Such items in these Listing Particulars include, but are not limited to, statements made under "*Risk Factors*". Such statements can be generally identified by the use of terms such as "anticipates", "estimates", "believes", "intends", "aims", "seeks", "could", "expects", "may", "plans", "should", "will" and "would", or by comparable terms and the negatives of such terms. By their nature, forward-looking statements and projections involve risk and uncertainty, and the factors described in the context of such forward-looking statements and targets in these Listing Particulars could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. The Issuer has based forward-looking statements on its expectations and projections about future events as of the date such statements were made. These forward-looking statements are subject to risks, uncertainties and assumptions about FinecoBank and the FinecoBank Group, including, among other things, the risks set out under "*Risk Factors*".

All references in these Listing Particulars to **Euro**, **EUR**, **€** or **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union of those members of the European Union which are participating in the European economic and monetary union.

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

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, UNICREDIT BANK AG ACTING AS STABILISING MANAGER (THE *STABILISING MANAGER*) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILISING OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

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RISK FACTORS

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

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

The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under these Listing Particulars, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The Issuer has identified in this “Risk Factors” section a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes. Prospective investors should read these risk factors together with the other detailed information set out elsewhere in these Listing Particulars and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE LISTING PARTICULARS

Risks related to financial, macroeconomic, social, political and business conditions

The FinecoBank Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term. The national and international macroeconomic environment also continues to be subject to risks arising from the outbreak of the viral pneumonia known as “Coronavirus” (COVID-19).

The FinecoBank Group’s performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy and the current risks relating to the Chinese property sector remain uncertain in both the short term and medium term. In particular, 2020 has been marked by the global spread of the form of viral pneumonia known as COVID-19, which led the world economy to a profound economic contraction. The first news about the pandemic came from China in January 2020, then the virus gradually spread around the world, also forcing European governments to take severe containment measures to flatten the epidemiological curve, which triggered a severe economic recession. In order to contain economic losses, the Italian government, other European governments and governments around the world, adopted extraordinary measures and the European Central Bank and the U.S. Federal Reserve, among others, intervened with the adoption of unconventional monetary policies on a large scale.

The current macroeconomic situation is characterized by high levels of uncertainty, due in part to: (i) the COVID-19 impact; (ii) the U.S.-driven trend toward protectionism; (iii) the rapid growth of credit in the Chinese economy and the risk of a downward pressure on Chinese property investment causing an outright contraction in housing sales and investment; (iv) the developments associated with Brexit; (v) future developments in the European Central Bank and U.S. Federal Reserve monetary policies and the policies implemented by various countries, including those aimed at promoting competitive devaluations of their currencies; (vi) constant change in the global and European banking sector, which has led to a progressive reduction in the spread between lending and borrowing rates; and (vii) the sustainability of the sovereign debt of certain countries, including Italy, and the related, repeated shocks to the financial markets. European political uncertainties also remain a source of potential setback for the recovery.

The FinecoBank Group's primary market is Italy. Therefore, its business is particularly sensitive to changes in the Italian economy and adverse macroeconomic conditions in Italy. In particular, there are considerable uncertainties around the future growth of the Italian economy. The political uncertainty and persistence of adverse economic conditions in Italy, or a slower recovery in Italy compared to other OECD nations could have an adverse effect on the FinecoBank Group's business, cost of borrowing, results of operations or financial condition, as well as on the value of its assets, and could result in further costs related to write-downs and impairment losses. In addition, any downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur, may destabilise the markets and have an adverse effect on the FinecoBank Group's operating results, capital and liquidity position, financial condition and prospects as well as on the marketability of the Notes. If sentiment towards the banks and/or other financial institutions operating in Italy were to deteriorate materially, or if FinecoBank's ratings and/or the ratings of the sector were to be further adversely affected, this may have an adverse impact on the FinecoBank Group. In addition, such change in sentiment or reduction in ratings could result in an increase in the costs and a reduction in the availability of wholesale market funding across the financial sector which could have an adverse effect on the liquidity funding and value of the assets of all Italian financial services institutions, including FinecoBank.

Despite the difficult economic context, as at 30 June 2021, total financial assets (direct and indirect) from customers amounted to €101,431 million (an increase of 10.6 per cent. compared with the end of 2020), net inflows from assets under management amounted to €4,047 million, net inflows from assets under administration to €1,481 million and net direct inflows to €259 million. Inflows from "Guided products & services" amounted to €3,730 million (an increase of 119.5 per cent. year-on-year). In June 2021, €344 million were migrated from third-party funds to FAM funds with a view to streamlining the value chain for investing. During the first half of 2021, net sales through the network of Personal Financial Advisors totalled €5,545 million (an increase of 35.2% year-on-year).

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

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

Risks associated with the FinecoBank Group's exposure to sovereign debt.

Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. With reference to FinecoBank's sovereign exposures in debt, the book value of sovereign debt securities as at 30 June 2021 recognised in the caption "Financial assets designated at fair value through other comprehensive income" and in "Financial assets measured at amortised cost" amounted to €15,983,206 thousand: Italy with €6,189,996 thousand; Spain with €4,384,163 thousand; Germany with €126,865 thousand; France with €1,329,317 thousand; USA with €695,948 thousand; Austria with €518,714 thousand, Ireland with €987,143 thousand, the United Kingdom with €47,264 thousand, Belgium with €556,592 thousand, Portugal with €388,437 thousand, Switzerland with €46,217 thousand, Saudi Arabia with €89,991 thousand,

Chile with €221,414 thousand, Israel with €167,441 thousand, China with €165,326 thousand, Latvia with €29,694 thousand, Qatar with €23,725 thousand and Iceland with €14,959 thousand. FinecoBank is also exposed to debt securities issued by sovereign entities which are classified as other financial assets mandatorily at fair value for €66 thousand.

As at 30 June 2021, investments in debt securities issued by sovereign states accounted for 48.6% of FinecoBank's total assets. There were no structured debt securities among the sovereign debt securities held by FinecoBank. FinecoBank is therefore exposed to fluctuations in the price of the public debt securities. Tensions or volatility in the government bond market could negatively impact on FinecoBank's financial position and performance. See also "*FinecoBank is exposed to credit and counterparty risk, particularly with UniCredit, the Republic of Italy and the Kingdom of Spain.*" below.

FinecoBank is exposed to credit, counterparty and concentration risk, particularly with UniCredit, the Republic of Italy and the Kingdom of Spain.

FinecoBank is exposed to counterparty risk, or the risk that its contractual counterparties will not fulfill their obligations with it or settle their transactions in accordance with their contractual terms and conditions, or that their creditworthiness will decline. FinecoBank's counterparty risk is to some extent more limited than that of many banks insofar as it engages in relatively limited lending to its retail clients, with only €4.4 million in net exposure to impaired loans outstanding to its retail clients as of 30 June 2021 (and a ratio of impaired loans to total loans to ordinary customers of 0.1 per cent. as of such date). Choices concerning the investment of FinecoBank's liquidity are governed by a prudential approach aimed at containing credit risk and mainly involve the subscription of Eurozone government bonds, supranational entities and local authorities, in addition to bonds issued by UniCredit subscribed until 2017. FinecoBank has been progressively replacing UniCredit bonds (currently representing approximately €5 billion of the total bonds portfolio, which amounts to a total of approximately €24.5 billion) as they mature with a diversified government bond portfolio, although FinecoBank's largest exposures are principally to UniCredit, the Republic of Italy and the Kingdom of Spain. In order to optimise its portfolio by diversifying counterparty risk, in 2020 FinecoBank increased its exposure (in terms of nominal value) to sovereign debt, for further information please refer to section "*Risks associated with the FinecoBank Group's exposure to sovereign debt*" above. FinecoBank's credit and counterparty risk is inherently connected to the insolvency risk of these entities, and changes in the creditworthiness of any of these entities could have a material adverse effect on FinecoBank's business, results of operations and financial condition. The counterparty risk to UniCredit is mitigated by the pledge agreement referred to under section "*Material Contracts*" in the section "*Description of the Issuer*".

Volatile market conditions may have an adverse impact on FinecoBank's business.

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

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

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

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

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

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

Risks related to the business activities and industry of FinecoBank

FinecoBank is exposed to a risk of failure or malfunction of its information technology systems, which could harm its business and reputation.

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

FinecoBank's business is sensitive to fluctuations in interest rates.

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

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

The management of interest rate risk is focused on stabilization. The banking book interest rate risk measure covers the dual aspect of the value and the net interest income/expense of FinecoBank. The two perspectives include the economic value perspective where variation in interest rates can affect the economic value of assets and liabilities, and the income perspective where the focus of analysis is the impact of changes of interest rates on accrual or reported net interest income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities.

FinecoBank measures and monitors interest rate risk daily, within the methodological framework and corresponding limits or thresholds relating to the sensitivity of the net interest margin and the economic value. Interest rate risk has an impact on all owned positions resulting from strategic investment decisions.

FinecoBank is subject to market risk, also acting as systematic internalizer for its clients and as structurer of OTC derivative products (including CFDs and daily options).

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

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

- Overall measures of market risk (e.g. VaR): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;
- Granular measures of market risk (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with the overall limits; in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

As at 31 December 2020, FinecoBank's daily TB VaR limit was €260 thousand and the average TB VaR was €203 thousand.

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

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

FinecoBank's network of financial advisors is a key component of its distribution channel and consisted of 2,731 financial advisors as of 30 June 2021. Despite the fact that FinecoBank seeks to select, recruit and train its financial advisors carefully, it can provide no assurance that there will not be errors in its assessment of potential candidates or shortcomings in its training programs, each of which could result in poor performance by these financial advisors and which could have a negative impact on its customers' experience and its reputation.

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

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

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

Although FinecoBank continuously monitors its financial advisors' compliance with applicable laws and its high standards concerning fairness and transparency, its financial advisors may be negligent in the manner in which they distribute FinecoBank's products and services or they may willfully engage in fraudulent or illegal activity. As a consequence, in addition to the adverse financial impact that FinecoBank may suffer through

lawsuits, regulatory authorities may also bring administrative proceedings against it and may apply administrative sanctions, which could include fines or restrictions on its ability to conduct certain aspects of its business. Any such action could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

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

FinecoBank relies on outsourcing arrangements with third parties to provide its clients with certain banking services and may experience disruption or failure of services provided under such outsourcing arrangements.

Pursuant to service agreements between FinecoBank and certain service providers, FinecoBank's clients are able to access branches and ATMs of UniCredit Group for the purposes of carrying out their banking transactions without being charged any additional fees, and FinecoBank considers this a key aspect of the banking services it offers.

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

In addition, FinecoBank outsources certain material back-office activities and services to third-party service providers (including affiliates of the UniCredit Group). In particular, FinecoBank outsources services for the maintenance of certain operating systems, transmission over certain interbank payment networks, credit card payment processing, and for certain aspects of its customer care. Any interruption in the services provided by third parties or breach by these third parties of their commitments could impair the timing and quality of the services received by FinecoBank's customers. FinecoBank is also exposed to the risk that external vendors that provide services to it may incur delays or interruptions in fulfilling their obligations or that they become subject to bankruptcy or insolvency proceedings, which could cause delays and inefficiencies in FinecoBank's business activities that could have a negative impact on its clients.

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

FinecoBank is subject to operational risks that could have an adverse impact on its business.

FinecoBank, like all financial institutions, is exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, claims from customers, unauthorized or illegal transactions by employees or operational errors, including clerical or record-keeping errors or errors resulting from malfunctioning computers or telecommunication systems. In addition, FinecoBank's dependence upon automated systems to record and process its transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses which are difficult to detect. FinecoBank may also be subject to disruptions of its operating systems, arising from events that are wholly or partially beyond its control (computer viruses, hacking from outsiders, electrical or telecommunication outages, force majeure events), which may give rise to service outages and to losses or liability to it. As at 30 June 2021, FinecoBank's average risk loss was €11.3 thousand and total operating losses amounted to approximately €2.86 million. With specific reference to its brokerage services, FinecoBank relies on a technical infrastructure developed and managed internally to process and execute its clients' trading orders. This infrastructure is connected to the financial markets through dedicated systems that are not managed by

FinecoBank. Errors or technical disruptions of FinecoBank's infrastructure or malfunctions in the communication systems between FinecoBank and the financial markets, as well as problems in relation to the settlement of orders, may give rise to service outages and to losses or liability to FinecoBank. The net commissions FinecoBank earned from its brokerage services amounted to €130.4 million (16.8% of its operating income) and €77.3 million (11.8% of its operating income) in 2020 and 2019, respectively.

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

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

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

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

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

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

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

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

FinecoBank's success depends on its ability to attract, train and retain qualified personnel, as well as its ability to retain key members of its management team. FinecoBank's current management team (particularly its Chief

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

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

FinecoBank's ability to increase its total financial assets, revenues and improve its profitability depends upon the successful execution of its business strategy. FinecoBank's business strategy is based on the following objectives: (i) growing and strengthening its network of financial advisors, (ii) shifting total financial assets toward more value-added products and services, (iii) increasing the products offered in the context of its brokerage service and the efficiency of its operating platforms, (iv) continuing to improve its "one-stop solution" business model, which is important to maintaining the stability of its "transactional" liquidity levels (*i.e.*, the liquidity deposited by its customers to cover their day-to-day banking needs), and (v) taking advantage of the operating leverage offered by its internal platforms and industry-specific know-how.

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

Risks connected with FinecoBank's Budget.

On 19 January 2021, FinecoBank's Board of Directors approved the 2021 Budget (the **Budget**) which contains a number of strategic, capital and financial objectives (collectively, the **Budget Objectives**).

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

FinecoBank is subject to liquidity risk.

FinecoBank is exposed to liquidity risk, namely the risk of being unable to meet its payment obligations as they come due or of properly managing cash inflows and outflows, which may consist of funding liquidity risk (arising from the inability to obtain funds without negatively affecting its business or its financial condition) or market liquidity risk (arising from the inability to sell financial assets in the market without incurring in losses caused by the illiquidity of the markets). To address its exposure to liquidity risk, FinecoBank invests the portion of liquidity that according to its internal analyses is less stable in liquid assets or assets readily convertible into cash that can be used as a source of short-term financing with the central bank. Although FinecoBank's available liquidity (which consists of amounts deposited by its customers in current and demand accounts or term deposits) has historically been stable and it employs liquidity management policies and risk management policies that are specifically aimed at preventing cash imbalances, future extraordinary events

may result in a mismanagement of its cash flows, and this could have a material adverse effect on FinecoBank's business, results of operations and financial condition.

Risks connected with exchange rates.

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

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

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

The financial statements and interim reports of the FinecoBank Group are prepared in Euro and reflect the currency conversions necessary to comply with the International Financial Reporting Standards (IFRS).

FinecoBank's risk management policies may be inadequate.

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

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

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

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

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

FinecoBank has registered the domain names "FinecoBank.it" and "mobile.FinecoBank.it" for the purpose of providing services to its customers through browsers and mobile devices. However, other investment service providers outside of Italy have registered domain names including the word "Fineco" using other top-level domain names (such as ".com," ".fr" and ".es"). The use of these domain names by other service providers may make it difficult for FinecoBank to expand into other markets. FinecoBank also faces the risk that actions by these foreign investment service providers may be confused with actions undertaken by it, which could have a negative impact on its reputation, its business, results of operations and financial condition.

The markets where FinecoBank operates are highly competitive.

FinecoBank operates in highly competitive markets in the banking industry, particularly in the market for the provision of banking and investing services through online and mobile channels, as well as competition for services provided through financial advisors. The adoption of the MiFID II directive and the MiFIR regulation has impacted FinecoBank's business by imposing increased transparency obligations in FinecoBank's brokerage and investing services businesses. Competition in FinecoBank's industry is increasing and may further intensify in the future, as a result of possible changes in the applicable legal framework, consumer trends, rapid changes in technology, actions of its competitors and the possible consolidation in the financial industry or the entry of new competitors. Moreover, deterioration in the macroeconomic environment may further increase competitive pressure, imposing greater pressure on prices and reducing the volume of financial activity. There is particular competition in the online and mobile banking and investment sectors, stemming from demand by customers for new and increasingly sophisticated services as well as marketing policies implemented by certain of FinecoBank's competitors that try to entice new clients through the offer of services and products at below cost or by paying interest rates on deposits that are in excess of their cost of funding. In recent years, a number of direct banks with a focus on online distribution have entered the Italian market and a number of more traditional banks have placed increase focus on expanding their online and mobile banking options.

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

Information in these Listing Particulars about FinecoBank's industry, market share and relative competitive position are based on assumptions and estimates which it cannot assure are accurate or correctly reflect its market position.

These Listing Particulars contain statements regarding FinecoBank's industry and its relative competitive position in the industry that are based on its knowledge of the market in which it operates, on available data and on its own experience. Although FinecoBank believes that these assumptions and estimates are reasonable, it cannot assure that any of these assumptions are accurate or correctly reflect its position in the industry.

Risks related to legal proceedings, taxation and the legal and regulatory framework

FinecoBank is exposed to risks arising from the legal proceedings and litigation it is involved in.

FinecoBank is involved in a number of legal disputes, the most significant of which are proceedings related to: (i) claims by its customers alleging unlawful conduct by its financial advisors, for which it may be held jointly and severally liable; (ii) claims by its customers alleging breaches by it of applicable banking and financial rules of conduct or other contractual breaches; and (iii) claims by former financial advisors for severance pay. See “*Description of the Issuer — Litigation and Other Proceedings*”. FinecoBank has taken out specific insurance policies to protect against the risk associated with claims by its customers alleging unlawful conduct by its financial advisors, for which it may be held jointly and severally liable, and has made provisions for expected liabilities that are not covered by such insurance policies. See “*Improper acts committed by FinecoBank’s financial advisors in the course of their professional activities could give rise to liability for FinecoBank and/or damage its reputation*”.

FinecoBank is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges, which FinecoBank could be forced to incur. Specifically, as a precaution against these obligations and customer claims that have not yet resulted in legal proceedings, as at 31 December 2020, FinecoBank had a provision in place for legal disputes of €24,627 thousand and for tax disputes of €3,736 thousand, for a total of €28,363 thousand. This provision includes the costs of proceedings borne by FinecoBank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, any technical advisers and/or experts who assist FinecoBank, to the extent that it is believed that they will not be reimbursed by the relevant counterparties. This estimate was determined by FinecoBank, in relation to current disputes, mainly based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment.

Although FinecoBank believes that the amounts of these provisions and coverage are adequate, in many of these cases, there is considerable uncertainty concerning the outcome, including the amount of any losses that it may suffer. The losses that it may eventually suffer as a result of these claims may materially exceed the amounts that it has set aside as provisions for these claims. Moreover, there is the risk that the competent supervisory authorities may initiate regulatory proceedings in relation to any of the foregoing that may lead to sanctions against FinecoBank in the event that it is found to have breached the rules and regulations applicable to its business. Any such proceedings may also have a negative impact on FinecoBank’s reputation. The occurrence of any of these events could have a material adverse effect on FinecoBank’s business, results of operations and financial condition.

Basel III and the CRD IV Package.

In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision (the **BCBS**) approved, in the fourth quarter of 2010, revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, which impose requirements for, *inter alia*, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.

In January 2013, the BCBS revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio with a full implementation in 2019 as well as expanding the definition of high-quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other

liquidity requirement, the net stable funding ratio, the BCBS published the final rules in October 2014 which took effect from 1 January 2018.

The Basel III framework has been implemented in the EU through new banking requirements: 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 (the **CRD IV Directive**) and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time (the **CRD IV Regulation** and together with the CRD IV Directive, the **CRD IV Package**). Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements are now largely fully effective as of 1 January 2019 and some minor transitional provisions provide for phase-in until 2024). National options and discretions that were so far exercised by national competent authorities will be exercised by the Single Supervisory Mechanism (**SSM**) in a largely harmonised manner throughout the Banking Union. In this respect, on 14 March 2016, the European Central Bank (the **ECB**) adopted Regulation (EU) No. 2016/445 on the exercise of options and discretions. Depending on the manner in which these options/discretions were so far exercised by the national competent authorities and on the manner in which the SSM will exercise them in the future, additional/lower capital requirements may result.

The CRD IV Package was subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with **CRR II** and **CRD V**). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities**, or **MREL**). The Issuer has to meet MREL requirements on a consolidated basis. MREL constrains the structure of liabilities and may require the use of subordinated debt, which would have an impact on cost and potentially on the Issuer's financing capacity. The Banking Reform Package also contains the Directive (EU) 2019/879 (**BRRD II**), which amended the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 (**BRRD**, implemented in Italy with Legislative Decrees 180 and 181 of 16 November 2015), introducing, *inter alia*, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the standard on total loss absorbing capacity for systemically important banks (**TLAC**).

In Italy, the Government approved a Legislative Decree on 12 May 2015 (**Decree 72/2015**) implementing the CRD IV Directive and amending the Italian Banking Act. Decree 72/2015 entered into force on 27 June 2015. Decree 72/2015 impacts, *inter alia*, on:

- proposed acquirers of holdings in credit institutions, requirements for shareholders and members of the management body (Articles 23 and 91 of the CRD IV Directive);
- competent authorities' powers to intervene in cases of crisis management (Articles 64, 65, 102 and 104 of the CRD IV Directive);
- reporting of potential or actual breaches of national provisions (so called whistleblowing, Article 71 of the CRD IV Directive); and
- administrative penalties and measures (Article 65 of the CRD IV Directive).

The Bank of Italy published new supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013 as subsequently amended from time to time by the Bank of Italy (the **Circular No. 285**)) which came into force on 1 January 2014, implementing the CRD IV Package, and setting out additional local prudential rules. According to Article 92 of the CRD IV Regulation, institutions shall at all times satisfy the following own funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. These minimum ratios are complemented by the capital buffers to be met with CET1 Capital: the capital conservation buffer, the counter-cyclical capital buffer, the capital buffers for globally systemically important institutions and the capital buffers for other systemically important institutions (FinecoBank is currently a neither globally systemically important institution nor an other systemically important institution).

In addition to the above-mentioned capital buffers, under Article 133 of the CRD IV Directive, each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not otherwise covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State. As at the date of these Listing Particulars, no provision is taken on the systemic risk buffer in Italy.

On 28 April 2021, the Bank of Italy issued the regulatory proposals on, inter alia, capital reserves for public consultation. The consultation proposes amendments to Part One, Title II, Chapter 1, of the Bank of Italy Circular communication no. 285/2013, in order to introduce the systemic risk buffer (SyRB) for banks and authorised banking groups in Italy and is intended to align the rules applicable with regard to the capital reserve. The consultation period was opened for 60 days but definitive rules have not yet been adopted.

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 and 141 of the CRD IV Directive).

In August 2020, the Bank of Italy communicated the capital requirements for the FinecoBank Group, effective from September 2020. The decision is based on the Supervisory Review and Evaluation Process (**SREP**) performed by the ECB, in application of Article 16(2) of the SSM Regulation. The current capital requirements (including the Total SREP Capital Requirement (**TSCR**)) and buffers for FinecoBank are as follows:

REQUIREMENTS	CET1	T1	TOTAL CAPITAL
A) Pillar 1 requirements	4.50%	6.00%	8.00%
B) Pillar 2 requirements	1.04%	1.40%	1.86%
C) TSCR (A+B)	5.54%	7.40%	9.86%
D) Combined Buffer requirement, of which:	2.505%	2.505%	2.505%
1. Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
2. Institution-specific Countercyclical Capital Buffer (CCyB)	0.005%	0.005%	0.005%
E) Overall Capital Requirement (C+D)	8.045%	9.905%	12.365%

The CRD IV Package introduces a new leverage ratio with the aim of restricting the level of leverage that an institution can take on, to ensure that an institution's assets are in line with its capital. The Leverage Ratio Delegated Regulation (EU) No. 2015/62 was adopted on 10 October 2014 and was published in the Official Journal of the European Union in January 2015 amending the calculation of the leverage ratio compared to the current text of the CRD IV Regulation. Institutions have been required to disclose their leverage ratio from 1 January 2015. The CRD IV Package contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity coverage ratio and leverage ratio in order to enhance regulatory harmonisation in Europe through the Single Rule Book.

The compliance on the part of the FinecoBank Group with minimum levels of capital ratios applicable on the basis of prudential rules in force and/or those imposed by the supervisory authorities (for example in the context of the SREP) and the achievement of the forecasts of a regulatory nature indicated therein depends, *inter alia*, on the implementation of strategic actions, which may have a positive impact on the capital ratios. Therefore, if such strategic actions are not carried out in whole or in part, or if the same should result in benefits other than and/or lower than those envisaged by the FinecoBank Group, which could result in deviations, even significant, with respect to its objectives, as well as producing negative impacts on the ability of the FinecoBank Group to meet the constraints provided by the prudential rules applicable and/or identified by the supervisory authorities and the economic situation, the financial assets of the FinecoBank Group itself.

Should the Issuer not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package, it may be required to maintain levels of capital which could potentially impact its credit ratings and funding conditions, and which could limit the Issuer's growth opportunities.

Forthcoming regulatory changes.

The banking and financial regulatory framework to which the FinecoBank Group is subject is extremely stringent and detailed. The Issuer is also subject to the supervision by the competent supervisory authorities, including ECB, Bank of Italy and CONSOB.

Failure to observe any of the legal and regulatory provisions currently in force or any changes relating to the interpretation of the applicable legislation by the competent authorities could negatively impact the operating results and capital and financial position of FinecoBank.

In addition, there can be no assurance that the implementation of the new capital requirements, standards and recommendations described above will not require FinecoBank to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on FinecoBank's business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect FinecoBank's return on equity and other financial performance indicators.

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 taking of any such actions (or the perception that the taking of any such action may occur) could materially adversely affect the value of the Notes and/or the rights of Noteholders.

The BRRD provides resolution authorities with comprehensive arrangements to deal with failing banks at national level, as well as cooperation arrangements to tackle cross-border banking failures.

The BRRD sets out the rules for the resolution of banks and large investment firms in all EU Member States. Banks are required to prepare recovery plans to overcome financial distress. Competent authorities are also granted a set of powers to intervene in the operations of banks to avoid them failing. If banks do face failure, resolution authorities are equipped with comprehensive powers and tools to restructure them, allocating losses to shareholders and creditors following a specified hierarchy. Resolution authorities have the powers to implement plans to resolve failing banks in a way that preserves their most critical functions and avoids taxpayer bail outs.

The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) or in combination with other resolution tools where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Notes) into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the **general bail-in tool**). Such shares or other instruments of ownership could also be subject to any future application of the BRRD. For more details on the implementation in Italy please refer to the paragraphs below.

An SRF (as defined below) was set up under the control of the SRB (as defined below). It ensures the availability of funding support while the bank is resolved. It is funded by contributions from the banking sector. The SRF can only contribute to resolution if at least 8 per cent. of the total liabilities, including own funds, of the bank have been bailed-in.

The BRRD requires all Member States to create a national, prefunded resolution fund, reaching a level of at least 1 per cent. of covered deposits by 31 December 2024. The National Resolution Fund for Italy was created in November 2015 and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms. In the Banking Union, the National Resolution Funds set up under the BRRD were superseded by the Single Resolution Fund as of 1 January 2016 and those funds will be pooled together gradually. Therefore, as of 2016, the Single Resolution Board calculates, in line with a Council implementing act, the annual contributions of all institutions authorised in the Member States participating in the SSM and the SRM (as defined below). The SRF is financed by the European banking sector. The total target size of the Fund is equal to at least 1 per cent. of the covered deposits of all banks in the Member States participating in the Banking Union. The SRF is to be built up over eight years, beginning in 2016, to the target level of EUR 55 billion (the basis being 1 per cent. of the covered deposits in the financial institutions of the Banking Union). Once this target level is reached, in principle, the banks will have to contribute only if the resources of the SRF are actually used in order to deal with resolutions of other institutions.

Under the BRRD, the target level of the National Resolution Funds is set at national level and calculated on the basis of deposits covered by deposit guarantee schemes. Under the SRM, the target level of the SRF is European and is the sum of the covered deposits of all institutions established in the participating Member

States. This results in significant variations in the contributions by the banks under the SRM as compared to the BRRD. As a consequence of this difference, when contributions would have been paid based on a joint target level starting as of 2016, contributions of banks established in Member States with a high level of covered deposits could abruptly have decreased, while contributions of those banks established in Member States with fewer covered deposits could abruptly have increased. In order to prevent such abrupt changes, the Council Implementing Act provides for an adjustment mechanism to remedy these distortions during the transitional period by way of a gradual phasing in of the SRM methodology.

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

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

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

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

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of the Notes may be subject to write-down or conversion into equity capital instruments on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of these, or any other power under the BRRD or any suggestion or perceived suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Implementation of the BRRD in Italy.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely Legislative Decrees No. 180/2015 and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Banking Law (Legislative Decree No. 385 of 1 September 1993, as amended) and deals principally with recovery plans, early intervention and

changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applies from 1 January 2016; and (ii) a “depositor preference” granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs is effective from 1 January 2019.

It is important to note that, pursuant to article 49 of Legislative Decree No. 180/2015, resolution authorities may not exercise the write down/conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured.

In addition, because (i) Article 44(2) of the BRRD excludes certain liabilities from the application of the general bail-in tool and (ii) the BRRD provides, at Article 44(3), that the resolution authority may, in specified exceptional circumstances, partially or fully exclude certain further liabilities from the application of the general bail-in tool, the BRRD specifically contemplates that *pari passu* ranking liabilities may be treated unequally.

Accordingly, holders of the Notes may be subject to write-down/conversion upon an application of the general bail-in tool while other Notes ranking *pari passu* with such Notes (or, in each case, other *pari passu* ranking liabilities) are partially or fully excluded from such application of the general bail-in tool. Further, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as appropriate, creditors, of greater losses as a result of the application of the relevant tool than they would have incurred in a winding up under normal insolvency proceedings. It is therefore possible not only that the claims of other holders of junior or *pari passu* liabilities may have been excluded from the application of the general bail-in tool and therefore the holders of such claims receive a treatment which is more favourable than that received by holders of the Notes, but also that the safeguard referred to above does not apply to ensure equal (or better) treatment compared to the holders of such fully or partially excluded claims because the safeguard is not intended to address such possible unequal treatment but rather to ensure that shareholders or creditors do not incur greater losses in a bail-in (or other application of a resolution tool) than they would have received in a winding up under normal insolvency proceedings.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary. Since each holder of the Notes will have expressly waived any rights of set-off, netting, counterclaim, abatement or other similar remedy which they might otherwise have, under the laws of any jurisdiction or otherwise, in respect of such Notes, it is clear that the statutory right of set-off available under Italian insolvency laws will likewise not apply.

As the BRRD has only recently been implemented in Italy and other Member States, there is uncertainty as to the effects of its application in practice.

In particular, there remains uncertainty as to how or when the general bail-in tool may be used and how they would affect the Issuer, the FincoBank Group and the Notes. The determination that all or part of the principal amount of any Notes will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer’s and the FincoBank Group’s control. Although there are proposed pre-conditions for the exercise of the general bail-in tool, there remains uncertainty regarding the specific factors which the relevant resolution authority would consider in deciding whether to exercise the general bail-in tool with respect to a financial institution and/or securities issued by that institution.

In particular, in determining whether an institution is failing or likely to fail, the relevant resolution authority shall consider a number of factors, including, but not limited to, an institution's capital and liquidity position, governance arrangements and any other elements affecting the institution's continuing authorisation. Moreover, as the final criteria that the relevant resolution authority would consider in exercising any general bail-in tool are likely to provide it with discretion, Noteholders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such powers. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any bail-in tool by the relevant resolution authority may occur which would result in a principal write-off or conversion to equity. The uncertainty may adversely affect the value of any investment in the Notes.

Also, certain provisions of the BRRD remain subject to regulatory technical standards and implementing technical standards to be prepared by the European Banking Authority. In addition to the BRRD, it is possible that the application of other relevant laws, the CRD IV Package and any amendments thereto or other similar regulatory proposals, including proposals by the FSB on cross-border recognition of resolution actions, could be used in such a way as to result in the Notes absorbing losses in the manner described above. Any actions by the relevant resolution authority pursuant to the powers granted to it as a result of the transposition of the BRRD, or other measures or proposals relating to the resolution of financial institutions, may adversely affect the rights of holders of the Notes, the price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

Voluntary Scheme.

FinecoBank joined the voluntary scheme (the **Voluntary Scheme**), introduced by the Italian Interbank Deposit Guarantee Fund (**IDGF**) in November 2015 through a change to its by-laws.

The Voluntary Scheme constitutes an instrument for solving banking crises through arrangements supporting the banks belonging to the scheme, through recourse to the specific conditions set out by the regulations. The Voluntary Scheme has an independent financial endowment and the member banks are obligated to provide the resources when requested to implement the interventions.

From 2016 to 2018 the Voluntary Scheme intervened in favour of some banks, in particular Cassa di Risparmio di Cesena, Cassa di Risparmio di Rimini, Cassa di Risparmio di San Miniato and Banca Carige.

With regard to the above mentioned interventions, FinecoBank contributed monetary payments which have led to the recognition of equity instruments (classified as "*available for sale*" based on IAS 39 until the end of 2017 and subsequently from 1 January 2018 as "*Financial assets at fair value through profit and loss: c) other financial assets mandatorily at fair value*" according to the current accounting standard IFRS 9).

As at 30 June 2021, the fair value of FinecoBank's residual equity exposure to the Voluntary Scheme relating to the interventions in favour of Cassa di Risparmio di Cesena, Cassa di Risparmio di Rimini and Cassa di Risparmio di San Miniato amounted to €1,190 thousand, showing no significant changes compared to 31 December 2020. The measurement model adopted is based on the Discounted Cash Flow model depending on recovery assumptions.

Deposit Guarantee Scheme and Single Resolution Fund.

As a result of: (i) Directive 2014/49/EU (Deposit Guarantee Schemes Directive (the **DGSD**)) of 16 April 2014; (ii) the BRRD; and (iii) the SRM Regulation establishing the predecessor of the current Single Resolution Fund (the **Single Resolution Fund** or **SRF**), which as of 1 January 2016, includes national compartments to which contributions raised at the national level by each participating Member State through its National

Resolution Fund (**National Resolution Fund** or **NRF**) are allocated, FinecoBank is obligated to provide the financial resources necessary for funding the deposit guarantee scheme and the SRF. These contribution obligations could have a significant impact on FinecoBank's financial and capital position. FinecoBank cannot currently predict the multi-year costs of the extraordinary contribution components which may be necessary for the management of any future banking crises.

The ordinary annual contribution for the year 2021 to the Single Resolution Fund was paid and accounted for by FinecoBank under the item 190. "Administrative Expenses b) other administrative expenses" of FinecoBank's income statement, amounting to €5,812 thousand. This was accompanied by the additional contribution to the NRF pursuant to Article 1, paragraph 848 of Law 208/2015, recognised under item 190. "Administrative expenses b) other administrative expenses", and amounting to € 1,893 thousand.

FinecoBank's business may be negatively affected by taxes applicable to transactions or investments in securities.

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

Ratings.

FinecoBank is rated by S&P, which is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies as amended from time to time (the **CRA Regulation**) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information, please visit the ESMA webpage).

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

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

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

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

RISKS RELATING TO THE NOTES

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

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

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars or in any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire principal amount of the Notes could be lost, including following the exercise by the relevant resolution authority of any bail-in power or through the application of Non-Viability Loss Absorption, as further described below;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Waiver of set-off.

In Condition 4 (*Status of the Notes*), each holder of a Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction or otherwise, in respect of such Note.

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

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

There are limited events of default and remedies under the Notes.

The events of default in respect of the Notes, being events upon which the Noteholders may declare the Notes to be immediately due and payable, are limited to circumstances in which the Issuer becomes subject to *Liquidazione Coatta Amministrativa* as defined in the Banking Act as set out in Condition 12 (*Enforcement Event*) of the Terms and Conditions. No event of default for the Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an event of default for the Notes for any purpose). Accordingly, other than following the occurrence of an event of default, even if the Issuer fails to meet any of its obligations under the Notes, including the payment of any interest, the Noteholders will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool

The Notes are subject to bail-in powers under legislative measures implementing the BRRD in Italy.

The BRRD has been implemented in Italy through the BRRD Decrees which entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applied from 1 January 2016; and (ii) a “depositor preference” granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs applies from 1 January 2019.

The stated aim of the BRRD is to provide a harmonised legal framework governing the tools and powers available to national supervisory authorities to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers’ contributions to bank bail-outs and/or exposure to losses. Among other things, the BRRD introduces a general bail-in tool which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Notes) into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership).

As a result, the Notes may be subject to a partial or full write-down or conversion to common equity Tier 1 instruments of the Issuer or another institution. Accordingly, trading behaviour may also be affected by the threat that the relevant resolution authority may exercise the general bail-in tool and, as a result, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the bail-in tool is used or that such Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

The circumstances under which the relevant resolution authority would use the general bail-in tool are currently uncertain.

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

Also, certain provisions of the BRRD remain subject to regulatory technical standards and implementing technical standards to be prepared by the European Banking Authority. In addition to the BRRD, it is possible that the application of other relevant laws, the CRD IV Package and any amendments thereto or other similar regulatory proposals, including proposals by the FSB on cross-border recognition of resolution actions, could be used in such a way as to result in the Notes absorbing losses in the manner described above. Any actions by the relevant resolution authority pursuant to the powers granted to it as a result of the transposition of the BRRD, or other measures or proposals relating to the resolution of financial institutions, may adversely affect the rights of holders of the Notes, the price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

The Notes are subject to early redemption

If the Issuer redeems the Notes pursuant to Condition 6.2 (*Redemption at the Option of the Issuer (Issuer Call)*), Condition 6.3 (*Issuer Call due to MREL Disqualification Event*) or Condition 6.4 (*Redemption upon the occurrence of a Tax Event*), such Notes will be redeemed at their principal amount, together with any accrued interest and any additional amounts due pursuant to Condition 8 (*Taxation*).

Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of Notes.

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

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

Any such redemption will be subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the MREL Requirements at the relevant time, including, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation.

Fixed to Floating interest rate risks.

Unless previously redeemed, from the Issue Date to the Call Date, the Notes will bear interest at a fixed rate. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes during this period.

Unless previously redeemed, from the Call Date to the Maturity Date, the Notes will bear interest at a floating rate, being a rate of 0.70 per cent. per annum above 3-month EURIBOR. As a consequence, interest income on the Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. Investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue fixed rate notes may affect the market value and the secondary market (if any) of the Notes (and vice versa).

The margin on the Notes will not change throughout the Floating Interest Periods but there will be a quarterly adjustment of the reference rate (3-month EURIBOR) which itself will change in accordance with general market conditions. Accordingly, the market value of the Notes may be volatile if changes, particularly short term changes, to market interest rates can only be reflected in the interest rate of the Notes upon the next periodic adjustment of the reference rate.

Meetings of Noteholders and modification.

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

Change of law.

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

Risk relating to the governing law of the Notes.

The Terms and Conditions of the Notes will be governed by the laws of Italy and Condition 17.1 (*Governing Law*) of the Terms and Conditions of the Notes provides that contractual and non-contractual obligations arising out or in connection with them shall be governed by, and 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 Global Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law. Furthermore, the Temporary Global Note and the Permanent Global Note will be signed by the Issuer in the United Kingdom and, thereafter, delivered to Citibank N.A., London Branch as initial fiscal agent and principal paying agent, being the entity in charge for, *inter alia*, authenticating and delivering to the common

safekeeper the Temporary Global Note and Permanent Global Note and (if required) authenticating and delivering Definitive Notes, hence the Notes would be deemed to be issued in England. As article 59 of Law No. 218 of 31 May 1995 (regarding Italian international private law rules) provides that “other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued”, the Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions of the Notes and the Global 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.

Notes where denominations involve integral multiples: Definitive Notes.

The Notes have denominations consisting of a minimum denomination of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a Noteholder who, as a result of trading such amounts, holds an amount which is less than €100,000 in its account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of the Notes such that its holding amounts to a €100,000 denomination.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Because the Global Notes are held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Notes, 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 in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the common safekeeper. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such a Global Note. 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 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.

Taxation.

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

potential investor. This investment consideration has to be read in connection with the taxation sections of these Listing Particulars.

Limitation on gross-up obligation under the Notes.

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

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

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

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

Reform of EURIBOR and other interest rate "benchmarks".

The Notes will initially accrue interest at a fixed rate of interest to, but excluding, the Call Date. From, and including, the Call Date, however, the interest rate will be the Floating Rate of Interest (as described in Condition 5.4 (*Interest for the Floating Period*)). The Floating Interest Rate could be less than the initial Fixed Rate of Interest (as defined in Condition 2 (*Definitions and Interpretation*)), which would affect the amount of any interest payments under the Notes and so the market value of an investment in the Notes.

Interest rates and indices which are deemed to be "benchmarks", (including the euro interbank offered rate (**EURIBOR**)) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on the Notes, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

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

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

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. Additionally, if the Issuer determines that the Original Reference Rate (as defined in Condition 2 (*Definitions*) of the Terms and Conditions of the Notes) has ceased to be published or has been subject to a material change or has been discontinued or is prohibited from being used or is subject to restrictions or adverse consequences if used or is no longer available in the circumstances described in the Terms and Conditions of the Notes (a **Benchmark Event**), then the Issuer shall use reasonable endeavours to determine, acting in good faith and in a commercially reasonable manner, a successor benchmark rate that has replaced the Original Reference Rate (a **Successor Reference Rate**) or if the Issuer cannot determine a Successor Reference Rate, the Issuer may appoint an Independent Adviser to determine an alternative rate that is considered to have replaced the Original Reference Rate in customary market usage or is otherwise reasonably determined to be the most comparable to the Original Reference Rate in accordance with the terms of Condition 5.6 (*Interest and Interest Calculation – Reference Rate Replacement*) (the **Alternative Reference Rate**). Any such determination may also result in changes to, *inter alia*, the day count convention, definition of business day and/or any method for obtaining the Original Reference Rate if such Alternative Reference Rate is unavailable on the relevant business day, in a manner that has broad market support for such Alternative Reference Rate. If the Issuer determines that a Benchmark Event has occurred, but the Issuer is unable to determine a Successor Reference Rate or the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by the Issuer is unable to determine an Alternative Reference Rate or the Issuer fails to determine an Alternative Reference Rate, the Original Reference Rate for the affected Reset Interest Period will be determined in accordance with the fallback mechanism described above.

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

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

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes referencing a "benchmark".

RISKS RELATED TO THE MARKET GENERALLY

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

The secondary market generally.

Although application has been made to admit the Notes to trading on the Global Exchange Market, the Notes will have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and may not continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

Moreover, although pursuant to Condition 7.5 (*Purchase*) the Issuer can purchase the Notes at any moment, this is not an obligation for the Issuer. Purchases made by the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

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

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

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

Exchange rate risks and exchange controls.

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

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

Interest rate risks.

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them. See also "*Risks relating to the Notes – Fixed to Floating interest rate risks*" above.

Legal investment considerations may restrict certain investments.

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

Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained.

The Notes have been rated by S&P, which is established in the European Union and registered under the CRA Regulation as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the ESMA webpage). This rating may not reflect the potential impact of all risks related to structure, market, additional factor discussed above and other factors that may affect the value of the Notes or the standing of the Issuer.

A rating is not a recommendation to buy, sell or hold securities and any rating agency may revise, suspend or withdraw at any time the relevant rating assigned by it if, in the sole judgement of the relevant rating agency, among other things, the credit quality of the Notes or, as the case may be, the Issuer has declined or is in question. In addition, there is no guarantee that any ratings of the Notes and/or the Issuer will be maintained by the Issuer following the date of these Listing Particulars or that one or more rating agencies other than S&P will assign ratings to the Notes. If any rating assigned to the Notes and/or the Issuer, including any unsolicited credit rating, is assigned at a lower level than expected or subsequently is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

In addition, rating agencies regularly reassess the methodologies used to measure the creditworthiness of companies and securities. Any adverse changes of such methodologies may materially and adversely affect

the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

In particular, there might be changes in the rating methodologies for hybrid capital instruments such as the Notes. As a consequence of such reassessments in rating criteria, the Notes ratings may be modified. If the Notes are downgraded, they may be subject to a higher risk of price volatility than higher-rated securities and their market value may decline.

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

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

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

OVERVIEW

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

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

Issuer:	FinecoBank S.p.A.
Notes:	€500,000,000 Fixed to Floating Rate Callable Senior Preferred Notes due 21 October 2027
Issue Price:	99.71 per cent.
Joint Lead Managers:	Citigroup Global Markets Limited; Mediobanca – Banca di Credito Finanziario S.p.A.; Morgan Stanley & Co. International plc; and UniCredit Bank AG (together, the Joint Lead Managers)
Fiscal Agent and Principal Paying Agent:	Citibank, N.A., London Branch
Form and Denomination:	The Notes will be issued in bearer form in denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to (and including) €199,000.
Status of the Notes:	Senior Preferred. The Notes and any related Coupons will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer.
Maturity:	Unless previously redeemed and cancelled, the Notes will mature on the Floating Interest Payment Date falling on or nearest to 21 October 2027
Interest and Interest Payment Dates:	The Notes bear interest on their principal amount at the relevant Rate of Interest from (and including) the Issue Date. Interest shall be payable (i) in respect of the Fixed Period, annually in arrear on each Fixed Interest Payment Date commencing on 21 October 2022, and (ii) in respect of the Floating Period, quarterly in arrear on each Floating Interest Payment Date up to (and including) the Maturity Date, subject in each case as provided in Condition 7 (<i>Payments</i>).
No right of Noteholders to redeem:	The Notes may not be redeemed at the option of the Noteholders.
Redemption at the Option of the Issuer (Issuer Call):	The Issuer may, subject to Condition 6.8 (<i>Conditions to redemption and purchase</i>), having given not less than 30 nor more than 45 days’ notice to the Fiscal Agent and, in accordance with Condition 16 (<i>Notices</i>), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, on the Call Date at their principal amount, together with interest accrued to but excluding the Call Date, and any additional amounts due pursuant to Condition 8 (<i>Taxation</i>).

Issuer Call due to MREL Disqualification Event:	If the Issuer determines that an MREL Disqualification Event has occurred and is continuing, the Issuer may at its sole discretion (but subject to the provisions of Condition 6.8 (<i>Conditions to redemption and purchase</i>)) at any time during the Fixed Period and on any Floating Interest Payment Date during the Floating Period, on giving not less than 30 nor more than 45 days' notice to the Noteholders (in accordance with Condition 16 (<i>Notices</i>) and the Fiscal Agent, redeem the Notes in whole but not in part at their principal amount, plus any accrued but unpaid interest up to (but excluding) the date fixed for redemption, and any additional amounts due pursuant to Condition 8 (<i>Taxation</i>).
Redemption upon the occurrence of a Tax Event:	Upon the occurrence of a Tax Event, the Issuer may, at its sole discretion (but subject to the provisions of Condition 6.8 (<i>Conditions to redemption and purchase</i>)) at any time during the Fixed Period and on any Floating Interest Payment Date during the Floating Period, on giving not less than 30 nor more than 45 calendar days' notice to Noteholders (in accordance with Condition 16 (<i>Notices</i>)) and the Fiscal Agent, redeem the Notes in whole or in part (to the extent permitted by the Relevant Regulations) at their principal amount plus any accrued but unpaid interest up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 8 (<i>Taxation</i>).
Purchases:	The Issuer or any of its Subsidiaries may (subject to the provisions of Condition 6.8 (<i>Conditions to redemption and purchase</i>)) purchase Notes in the open market or otherwise (including for market making purposes) and at any price in accordance with applicable laws and regulations (including for the avoidance of doubt, the Relevant Regulations) from time to time, provided that all unmatured Coupons appertaining to the Notes are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.
Conditions to Redemption and Purchase:	The Notes may only be redeemed, purchased, cancelled or modified (as applicable) pursuant to the Conditions in compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the MREL Requirements at the relevant time, including, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation as further described in Condition 6.8 (<i>Conditions to redemption and purchase</i>).
Events of Default:	<p>In the event of compulsory winding-up (<i>Liquidazione Coatta Amministrativa</i>) of the Issuer pursuant to Article 80 of the Italian Banking Act, the Notes shall become immediately due and payable.</p> <p>The rights of the Noteholders and the Couponholders in the event of compulsory winding up (<i>Liquidazione Coatta Amministrativa</i>) of the Issuer pursuant to Article 80 of the Italian Banking Act will be calculated on the basis of the principal amount of the Notes, plus any accrued but unpaid interest up to, but excluding the date the Notes become immediately due and payable, and any additional amounts due pursuant to Condition 8 (<i>Taxation</i>). No payments</p>

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 (*Status of the Notes*) have been paid by the Issuer, as ascertained by the liquidator.

No remedy against the Issuer other than as provided by Condition 12 (*Enforcement Event*) shall be available to the Noteholders or the Couponholders whether for the recovery of amounts owing under or in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any of its obligations in relation to the Notes or the Coupons or otherwise.

No event of default for the Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an event of default for the Notes for any purpose).

Negative Pledge: None

Cross Default: None

Meetings of Noteholders and Modifications: The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Issuer may also, subject to the provisions of Condition 13 (*Meetings of Noteholders; Modification*), make any modification to the Notes that in its sole opinion is not prejudicial to the interests of the Noteholders (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) without the consent of the Noteholders. Any such modification shall be binding on the Noteholders.

In addition, no consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in Condition 5.6 (*Reference Rate Replacement*) or such other relevant changes pursuant to Condition 5.6(iii)(C) including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement.

Variation: If at any time an MREL Disqualification Event occurs and is continuing and/or in order to ensure the effectiveness and enforceability of Condition 18 (*Contractual recognition of statutory bail-in powers*) with respect to the Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 nor more than 90 days' notice to the Paying Agent and the Noteholders, which notice shall be irrevocable, at any time vary the terms of

the Notes so that they remain or, as appropriate, become Qualifying Notes, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Further Issues: The Issuer may from time to time, without the consent of the Noteholders, 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, if any, on them and/or the issue price thereof) so as to form a single series with the Notes.

Taxation and Additional Amounts: Subject to certain conditions, all payments of interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of any present or future taxes, duties, assessment or governmental charges of whatever nature, imposed or levied by or on behalf of any Tax Jurisdiction (subject to certain customary exceptions), unless such withholding or deduction is required by law. In that event, the Issuer will pay (subject as provided in Condition 9 (*Taxation*)) such additional amounts in respect of interest as will result in 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.

Rating: The Notes have been rated “BBB” by S&P.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. See “Risk Factors – Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained” at pages 38 and 39.

Listing and admission to trading: Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin, with effect from the Issue Date. The Global Exchange Market is not a regulated market for the purposes of MiFID II.

Listing Agent: Arthur Cox Listing Services Limited

Clearing: Euroclear and Clearstream, Luxembourg

ISIN: XS2398807383

Common Code: 239880738

Use of Proceeds: The net proceeds from the issuance of the Notes will be used by the Issuer for general corporate purposes and to improve the regulatory capital structure of the Issuer and the FincoBank Group.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the

United Kingdom, the EEA, the Republic of Italy and Switzerland, see “*Subscription and Sale*” below.

The Notes have not been registered under the Securities Act and are subject to restrictions on transfer as described under “*Subscription and Sale*”.

Governing Law:

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

**Contractual
Recognition of
Statutory Bail-in
Powers:**

By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Bail-in Power by the Competent Authority that may result in the write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Notes and/or the conversion of all or a portion of the principal amount of, or distributions on, the Notes into Ordinary Shares or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Competent Authority of such Bail-in Power. Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-in Power by the Competent Authority. See further Condition 18 (*Contractual recognition of statutory bail-in powers*).

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

Risk Factors:

There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes. These are set out under “*Risk Factors*”.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with these Listing Particulars and have been filed with Euronext Dublin shall be incorporated by reference into, and form part of, these Listing Particulars:

- (a) the audited consolidated and non-consolidated annual financial statements of the Issuer as at and for each of the financial years ended 31 December 2019 and 31 December 2020 and the audited non-consolidated annual financial statements of the Issuer as at and for each of the financial years ended 31 December 2018, 31 December 2017, 31 December 2016, 31 December 2015 and 31 December 2014 (the **FinecoBank Annual Financial Statements**); and
- (b) the unaudited consolidated interim financial report of FinecoBank as at and for the six months ended 30 June 2021 and 30 June 2020 (the **FinecoBank Semi-Annual Financial Statements**),

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

With respect to the FinecoBank Semi-Annual Financial Statements which are being incorporated by reference into these Listing Particulars under (b) above, it is noted that the Issuer, being the person responsible for its consolidated interim financial accounts as at 30 June 2021, approves such financial information.

Copies of documents incorporated by reference into these Listing Particulars can be obtained by Noteholders for inspection or collection free of charge from the registered office of the Issuer and, during normal business hours, upon reasonable request, from the specified office of the Paying Agent (or may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be) in each case at the address given at the end of these Listing Particulars and will be available for viewing on the website of the Issuer (at www.fineco.it).

The information incorporated by reference that is not included in the cross-reference list below, is considered either not relevant or covered elsewhere in the Listing Particulars.

CROSS-REFERENCE LIST FOR DOCUMENTS INCORPORATED BY REFERENCE

Document	Information incorporated	Page numbers
FinecoBank's Audited Consolidated and Non-Consolidated Annual Financial Statements as at and for the financial year ended 31 December 2020	Consolidated Balance Sheet	107-108
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	Consolidated Statement of Comprehensive Income	110
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FinecoBank's Audited Consolidated and Non-Consolidated Annual Financial Statements as at	Consolidated Balance Sheet	91

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Unaudited consolidated interim financial report of FinecoBank as at and for the six months ended 30 June 2021	Entire Document	All

Document	Information incorporated	Page numbers
Unaudited consolidated interim financial report of FinecoBank as at and for the six months ended 30 June 2020	Entire Document	All
FinecoBank's Audited Consolidated and Non-Consolidated Annual Financial Statements as at and for the financial year ended 31 December 2018	Consolidated Balance Sheet	107
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	Statement of Changes in Consolidated Shareholders' Equity	98-99
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FinecoBank's Audited Non-Consolidated Annual Financial Statements as at and for the financial year ended 31 December 2016	Balance Sheet	68

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FinecoBank's Audited Non-Consolidated Annual Financial Statements as at and for the financial year ended 31 December 2014	Report of the External Auditors	235-237
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TERMS AND CONDITIONS OF THE NOTES

1. INTRODUCTION

The €500,000,000 Fixed to Floating Rate Callable Senior Preferred Notes due 21 October 2027 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) are issued by FinecoBank S.p.A. (the **Issuer**) subject to and with the benefit of an Agency Agreement dated 21 October 2021 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between Citibank, N.A., London Branch as fiscal agent and principal paying agent (the **Fiscal Agent**) and any other agents appointed pursuant to the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection or collection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons**) upon reasonable request at the specified office of each of the Paying Agents or may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Conditions the following expressions have the following meanings:

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

Actual/Actual (ICMA) means:

- (i) where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Interest Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Interest Period; or
- (ii) where the Accrual Period is longer than the Interest Period during which the Accrual Period ends, the sum of:
 - a. the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins divided by the number of days in such Interest Period; and
 - b. the number of days in such Accrual Period falling in the next Interest Period divided by the number of days in such Interest Period.

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

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

Authorised Signatory has the meaning given to such term in the Agency Agreement and Authorised Signatories shall be construed accordingly;

Benchmark Event means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or being subject to a material change; or
- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date on or prior to the next Floating Interest Determination Date, as the case may be, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Floating Interest Determination Date, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of

the Original Reference Rate, which states that the administrator of the Original Reference Rate and/has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that, at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate; or

- (f) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes, in each case by a specific date on or prior to the next Floating Interest Determination Date; or
- (g) it has become unlawful for the Fiscal Agent, any Paying Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

BRRD means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by the BRRD II);

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

Business Day means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and (ii) a TARGET2 Settlement Day;

Calculation Amount means €1,000;

Call Date means 21 October 2026;

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

Coupon has the meaning given to such term in Condition 1 (*Introduction*);

Couponholders has the meaning given to such term in Condition 1 (*Introduction*);

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

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

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

CRD IV Regulation means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time (including by CRD V Regulation);

CRD V Regulation means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures; reporting and disclosure requirements, and Regulation (EU) No 648/2012, as amended or replaced from time to time;

Extraordinary Resolution has the meaning given to such term in the Agency Agreement;

Fixed Day Count Fraction means Actual/Actual (ICMA);

Fixed Interest Payment Date means 21 October in each year from (and including) 21 October 2022;

Fixed Period means the period from (and including) the Issue Date to (but excluding) the Call Date;

Fixed Rate of Interest means 0.500 per cent. per annum;

Floating Day Count Fraction means Actual/360;

Floating Interest Determination Date means the second TARGET Business Day prior to the commencement of each Floating Interest Period;

Floating Interest Payment Date means 21 January 2027, 21 April 2027, 21 July 2027 and 21 October 2027, in each case subject to adjustment in accordance with the Modified Following Business Day Convention (and, together with the Fixed Interest Payment Dates, the **Interest Payment Dates**);

Floating Interest Period means the period from and including a Floating Interest Payment Date (or, if none, the Call Date) to but excluding the next (or first) Floating Interest Payment Date;

Floating Period means the period from (and including) the Call Date to (but excluding) the Maturity Date;

Floating Rate of Interest has the meaning given to such term in Condition 5.5 (*Determination of the Floating Rate of Interest*);

Future Capital Instruments Regulations means any regulatory capital rules or regulations introduced after the Issue Date by the Competent Authority or by the institutions of the European Union or which are otherwise applicable to the Issuer (on a solo or consolidated basis), which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled

by financial instruments for their inclusion in the Own Funds of the Issuer (on a solo or consolidated basis);

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

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

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

Issue Date means 21 October 2021;

Initial Margin means 0.70 per cent. per annum;

Italian Banking Act means the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended;

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

MREL Disqualification Event means that, at any time, all or part of the aggregate outstanding nominal amount of the Notes is or will be excluded fully or partially from eligible liabilities available to meet the MREL Requirements, provided that: (a) the exclusion of the Notes from the MREL Requirements due to the remaining maturity of such Notes being less than any period prescribed thereunder, does not constitute a MREL Disqualification Event; (b) the exclusion of all or some Notes from the MREL Requirements due to there being insufficient headroom for such Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL Disqualification Event; and (c) the exclusion of all or some of the Notes from the MREL Requirements as a result of such Notes being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute a MREL Disqualification Event;

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

Non-Preferred Senior Notes means any instruments which qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-bis of the Italian Banking Act;

Noteholders has the meaning given to such term in Condition 1 (*Introduction*);

Ordinary Shares means the ordinary shares of the Issuer;

Original Reference Rate means originally-specified benchmark or screen rate (as applicable) used to determine the Floating Rate of Interest (or any component part thereof) on the Notes or, if applicable, any other Successor Reference Rate or Alternative Reference Rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier operation of Condition 5.6 (*Reference Rate Replacement*);

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

Payment Business Day means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation and (ii) a TARGET2 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;

Qualifying Notes means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 18 (*Contractual recognition of statutory bail-in powers*), have terms not materially less favourable to a Noteholder (as reasonably determined by the Issuer) than the terms of the Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL Requirements; (B) include 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 but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same solicited credit ratings as were assigned to the Notes immediately prior to such variation or substitution unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 18 (*Contractual recognition of statutory bail-in powers*); and
- (b) are listed on a recognised stock exchange if the Notes were listed immediately prior to such variation or substitution;

Rate of Interest means the Fixed Rate of Interest or, in respect of any Floating Rate Interest Period, the relevant Floating Rate of Interest;

Reference Banks means the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Issuer acting on the advice of an investment bank of international repute and notified to the Fiscal Agent;

Reference Rate means 3-month EURIBOR;

Relevant Date has the meaning given to such term in Condition 8 (*Taxation*);

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

Relevant Regulations means any requirements contained in the laws, regulations, rules, guidelines and policies of the Competent Authority, or of the European Parliament and Council then in effect in the Republic of Italy, relating to capital adequacy and applicable to the Issuer from time to time (including but not limited to the rules contained in, or implementing, CRD IV Package and the BRRD, delegated or implementing acts adopted by the European Commission and guidelines issued by the EBA), in each case as amended or replaced from time to time;

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

Relevant Screen Page means Reuters EURIBOR01 Index or such other screen page of Reuters or such other information service which is the successor to Reuters EURIBOR01 Index;

Specified Office has the meaning given to such term in the Agency Agreement;

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

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

Subsidiary means any person or entity which is required to be consolidated with the Issuer for financial reporting purposes under applicable Italian banking laws and regulations;

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

TARGET2 Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System, which was launched on 19 November 2007 or any successor thereto is open for the settlement of payments in euro;

Tax Event means the part of the interest payable by the Issuer under the Notes that on the Issue Date is tax-deductible by the Issuer for Italian tax purposes is reduced, or the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to the laws, regulations or rulings of, or applicable in, the Republic of Italy, or any political subdivision or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation or administration of such laws, regulations or rulings:

(A) which change or amendment:

- (i) becomes effective after the Issue Date;
- (ii) is evidenced by the delivery by the Issuer to the Fiscal Agent to make available for inspection at its specified office to the Noteholders of a certificate signed by two Authorised Signatories of the Issuer stating that part of the interest payable by the Issuer in respect of the Notes that is on the Issue Date tax-deductible is no longer, or will no longer be, deductible for Italian income tax purposes or such deductibility is materially reduced, or that the Issuer has or will become obliged to pay such additional amounts, as the case may be, and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail; and

(B) which obligation cannot be avoided by the Issuer taking reasonable measures available to it;

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

Tax Jurisdiction has the meaning given to such term in Condition 8 (*Taxation*);

2.2 Interpretation

In these Conditions:

- (a) Notes and Noteholders shall respectively be deemed to include references to Coupons and Couponholders, if relevant;
- (b) any reference to principal shall be deemed to include any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (c) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (d) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and

- (e) any reference to a numbered “Condition” shall be to the relevant Condition in these Conditions.

3. FORM, DENOMINATION AND TITLE

3.1 Form and denomination

The Notes are in bearer form, serially numbered, in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000, each with Coupons attached on issue. Notes of one denomination will not be exchangeable for Notes of another denomination.

3.2 Title

Title to Notes and 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.

4. STATUS OF THE NOTES

The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking (subject to any obligations preferred by any applicable law) *pari passu* with all other unsecured obligations (other than obligations ranking junior to the Notes from time to time (including any Non-Preferred Senior Notes and any further obligations permitted by law to rank junior to the Notes), if any) of the Issuer present and future and, in the case of the Notes, *pari passu* and rateably without any preference among themselves.

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

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

5. INTEREST

5.1 Rate of Interest

The Notes bear interest on their principal amount at the relevant Rate of Interest from (and including) the Issue Date. Interest shall be payable (i) in respect of the Fixed Period, annually in arrear on each Fixed Interest Payment Date commencing on 21 October 2022, and (ii) in respect of the Floating Period, quarterly in arrear at a rate equal to the relevant Floating Rate of Interest on each Floating Interest Payment Date up to (and including) the Maturity Date, subject in each case as provided in Condition 7 (*Payments*).

5.2 Accrual of Interest

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 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 on which the Fiscal Agent has notified the Noteholders in accordance with Condition 16 (*Notices*) that it has received all sums due in respect of the Notes up to such day.

5.3 Interest for the Fixed Period

The Rate of Interest for each Interest Period falling in the Fixed Period will be the Fixed Rate of Interest.

5.4 Interest for the Floating Period

The Rate of Interest for each Interest Period falling in the Floating Period will be the relevant Floating Rate of Interest, as determined by the Fiscal Agent.

5.5 Determination of the Floating Rate of Interest

- (a) The Rate of Interest payable for each Floating Rate Interest Period will, subject to Condition 5.6 (*Reference Rate Replacement*) below, be either:
 - (A) the rate or offered quotation; or
 - (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Floating Interest Determination Date in question plus the Initial Margin, all as determined by the Fiscal Agent (the **Floating Rate of Interest**). If five or more of such rates or offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such rate or offered quotation appears or, in the case of (B) above, fewer than three such rates or offered quotations appear as at 11.00 a.m. (Brussels time), the Fiscal Agent shall request each of the Reference Banks to provide the Fiscal Agent with its bid rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Floating Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent with bid rates or offered quotations, the Floating Rate of Interest for the Floating Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the bid rates or offered quotations plus the Initial Margin, all as determined by the Fiscal Agent.

If on any Floating Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent with a bid rate or offered quotation as provided in the preceding paragraph, the Floating Rate of Interest for the relevant Floating Interest Period shall be the rate per annum which the Fiscal Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated (and at the request of) to the Fiscal

Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Floating Interest Determination Date, deposits in Euro for a period of 3 months by leading banks in the Euro-zone inter-bank market plus the Initial Margin or, if fewer than two of the Reference Banks provide the Fiscal Agent with bid rates or offered rates, the bid rate or offered rate for deposits in Euro for a period of 3 months, or the arithmetic mean (rounded as provided above) of the bid rates or offered rates for deposits in Euro for a period of 3 months, at which, at approximately 11.00 a.m. (Brussels time) on the relevant Floating Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Fiscal Agent it is quoting to leading banks in the Eurozone interbank market, as appropriate, plus the Initial Margin, provided that, if the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Floating Rate of Interest shall be determined as at the last preceding Floating Interest Determination Date or, in the case of the first Floating Interest Determination Date, it will be the Fixed Rate of Interest.

(b) Determination of Floating Rate of Interest and Floating Interest Amounts

The Fiscal Agent will at or as soon as practicable after each time at which the Floating Rate of Interest is to be determined, but in no event later than the third Business Day thereafter, (i) determine the Floating Rate of Interest for the relevant Floating Interest Period; and (ii) calculate the amount of interest payable per Calculation Amount for the relevant Floating Interest Period (the **Floating Interest Amount**) by applying the Floating Rate of Interest to the Calculation Amount and multiplying such sum by the Floating Day Count Fraction, and rounding the resultant figure to the nearest Euro cent, with half of a Euro cent being rounded upwards. The interest payable in respect of a Note shall be the product of such Interest Amount as so rounded and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

(c) Notification of Floating Rate of Interest and Floating Interest Amounts

Subject to Condition 5.6 (*Reference Rate Replacement*), the Fiscal Agent will cause the Floating Rate of Interest and each Floating Interest Amount for each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to Euronext Dublin (or the listing agent as the case may be) and any other stock exchange (or the listing agent as the case may be) on which the Notes are for the time being listed (by no later than the first day of each Floating Interest Period) and notice thereof to be given in accordance with Condition 16 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Floating Interest Amount and relative Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to the Issuer and to Euronext Dublin (or the listing agent as the case may be) and any other stock exchange (or the listing agent as the case may be) on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 16 (*Notices*). For the purposes of this paragraph, the expression **Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(d) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.5, by the

Fiscal Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders and Couponholders and no liability to the Issuer, the Noteholders, or the Couponholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.6 Reference Rate Replacement

Notwithstanding the fallback provisions in Condition 5.5 (*Interest – Determination of the Floating Rate of Interest*), if the Issuer determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Floating Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the Notes:

- (i) the Issuer shall use reasonable endeavours: (A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Floating Interest Determination Date relating to the next Floating Interest Period (the **IA Determination Cut-off Date**), for the purposes of determining the Floating Rate of Interest applicable to the Notes for such next Floating Interest Period and for all other future Floating Interest Periods (subject to the subsequent operation of this Condition 5.6 during any other future Floating Interest Period(s));
- (ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than three Business Days prior to the Floating Interest Determination Date relating to the next Floating Interest Period (the **Issuer Determination Cut-off Date**), for the purposes of determining the Floating Rate of Interest applicable to the Notes for such next Floating Interest Period and for all other future Floating Interest Periods (subject to the subsequent operation of this Condition 5.6 during any other future Floating Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;
- (iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 5.6:
 - (A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future Floating Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5.6);
 - (B) if the relevant Independent Adviser or the Issuer (as applicable):

- (I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Floating Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5.6); or
 - (II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Floating Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5.6); and
- (C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in their discretion specify:
- (I) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) any Business Day, day count basis, Floating Interest Determination Date, and/or Relevant Screen Page applicable to the Notes and (2) the method for determining the fallback to the Floating Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
 - (II) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Floating Interest Periods (subject to the subsequent operation of this Condition 5.6);

which changes shall apply to the Notes for all future Floating Interest Periods (subject to the subsequent operation of this Condition 5.6); and

- (iv) promptly (but in any event no later than the relevant Issuer Determination Cut-off Date) following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 5.6 (iii)(C) to the Fiscal Agent, the Noteholders and the Couponholders in accordance with Condition 16 (*Notices*) .

No consent of the Noteholders and/or the Couponholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 5.6 or such other relevant changes pursuant to Condition 5.6 (iii)(C), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement.

In no event shall the Fiscal Agent be responsible for determining any Successor Reference Rate, Alternative Reference Rate or Adjustment Spread and the Fiscal Agent shall be entitled to conclusively

rely on any determinations made by the Issuer or the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer or the Independent Adviser.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 5.6 and notified to the Fiscal Agent and the Noteholders and the Couponholders in accordance with Condition 16 (*Notices*) prior to the relevant Issuer Determination Cut-off Date, then the Floating Rate of Interest for the next Floating Interest Period shall be determined by reference to the fallback provisions of Condition 5.5(a).

Notwithstanding any other provision of this Condition 5.6, no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 5.6, if and to the extent that, in the determination of the Issuer the same could reasonably be expected to prejudice the qualification of the Notes as satisfying the MREL Requirements and/or no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 5.6, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Resolution Authority treating an Interest Payment Date as the effective maturity of the Notes.

5.7 Publication of Floating Rate of Interest

Subject to Condition 5.6 (*Reference Rate Replacement*), with respect to each Floating Interest Period, the Fiscal Agent will cause the relevant Floating Rate of Interest to be notified to the Issuer, the Paying Agents and each listing authority and/or stock exchange (or listing agent as the case may be) by which the Notes have then been admitted to listing or trading and to be published in accordance with Condition 16 (*Notices*) as soon as reasonably practicable after such determination.

5.8 Interest amounts during the Fixed Period

Subject to Condition 7 (*Payments*), the amount of interest payable on each Interest Payment Date in the Fixed Period shall be €5.00 (the **Fixed Coupon Amount**) per Calculation Amount. The amount of interest payable in respect of a Note for any period in the Fixed Period other than in respect of a full Interest Period shall be calculated:

- (a) applying the Fixed Rate of Interest to the Calculation Amount;
- (b) multiplying the product thereof by the Fixed Day Count Fraction; and
- (c) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The interest payable in respect of a Note pursuant to this Condition 5.8 shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on the Floating Interest Payment Date falling on or nearest to 21 October 2027 (the **Maturity Date**). The Notes may not be redeemed otherwise than in accordance with this Condition 6.

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

The Issuer may, subject to Condition 6.8 (*Conditions to redemption and purchase*), having given not less than 30 nor more than 45 days' notice to the Fiscal Agent and, in accordance with Condition 16 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, on the Call Date at their principal amount, together with interest accrued to but excluding the Call Date, and any additional amounts due pursuant to Condition 8 (*Taxation*).

6.3 Issuer Call due to MREL Disqualification Event

If the Issuer determines that an MREL Disqualification Event has occurred and is continuing, the Issuer may at its sole discretion (but subject to the provisions of Condition 6.8 (*Conditions to redemption and purchase*)) at any time during the Fixed Period and on any Floating Interest Payment Date during the Floating Period, on giving not less than 30 nor more than 45 days' notice to the Noteholders (in accordance with Condition 16 (*Notices*) and the Fiscal Agent, redeem the Notes in whole but not in part at their principal amount, plus any accrued but unpaid interest up to (but excluding) the date fixed for redemption, and any additional amounts due pursuant to Condition 8 (*Taxation*).

6.4 Redemption upon the occurrence of a Tax Event

Upon the occurrence of a Tax Event, the Issuer may, at its sole discretion (but subject to the provisions of Condition 6.8 (*Conditions to redemption and purchase*)) at any time during the Fixed Period and on any Floating Interest Payment Date during the Floating Period, on giving not less than 30 nor more than 45 calendar days' notice to Noteholders (in accordance with Condition 16 (*Notices*)) and the Fiscal Agent, redeem the Notes in whole or in part (to the extent permitted by the Relevant Regulations) at their principal amount plus any accrued but unpaid interest up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 8 (*Taxation*).

6.5 Purchase

The Issuer or any of its Subsidiaries may (subject to the provisions of Condition 6.8 (*Conditions to redemption and purchase*)) purchase Notes in the open market or otherwise (including for market making purposes) and at any price in accordance with applicable laws and regulations (including for the avoidance of doubt, the Relevant Regulations) from time to time, provided that all unmatured Coupons appertaining to the Notes are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

6.6 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so redeemed and cancelled pursuant to this Condition, and the Notes purchased and cancelled pursuant to Condition 6.5 (*Purchase*) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

6.7 Italian Civil Code

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

6.8 Conditions to redemption and purchase

The Notes may only be redeemed, purchased, cancelled, modified or varied (as applicable) pursuant to Condition 6.2 (*Redemption at the Option of the Issuer (Issuer Call)*), Condition 6.3 (*Issuer Call due to MREL Disqualification Event*), Condition 6.4 (*Redemption upon the occurrence of a Tax Event*), Condition 6.5 (*Purchase*), Condition 6.6 (*Cancellation*), Condition 13.1 (*Meetings of Noteholders*), Condition 13.2 (*Modification of Notes*) (including, for the avoidance of doubt, any modification or variation in accordance with Condition 13 (*Meetings of Noteholders; Modification*) or Condition 14 (*Variation*)) in compliance by the Issuer with any conditions prescribed by the MREL Requirements at the relevant time, including, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation, where one of the following conditions is met:

- (a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the Notes with Own Funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or
- (b) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its Own Funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and eligible liabilities laid down in the Relevant Regulations by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or
- (c) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the relevant Notes with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Relevant Regulations for continuing authorisation,

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

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

7. PAYMENTS

7.1 Payments in respect of Notes

Payments of principal and interest shall be made only against presentation and (provided that payment is made in full) surrender of the Note or Coupon, as applicable, at the Specified Office of any Paying Agent outside the United States by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

7.2 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7.3 Unmatured Coupons void

Upon the date on which any Note becomes due and repayable, all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

7.4 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, the Noteholder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

7.5 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.

7.6 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.

8. TAXATION

8.1 Gross up

All payments of interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of withholding or deduction for or on account of, any present or future taxes,

duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (subject to the exceptions listed below) unless such withholding or deduction is required by law. The Issuer will pay such additional amounts in respect of interest as will result in 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:

- (a) 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 the same may be amended or supplemented) or any related implementing regulations; or
- (b) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) by or on behalf of a holder who is entitled to avoid such withholding or deduction in respect of such Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (d) more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day (assuming such day to have been a Payment Business Day); or
- (e) in the Republic of Italy; or
- (f) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount 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 Italian authorities; or
- (g) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (h) where the holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements.

Any reference in these Conditions to interest shall be deemed to include any additional amounts in respect of interest (as the case may be) which may be payable under this Condition 8.

For the avoidance of doubt, no additional amounts shall be payable in respect of payment of principal under the Notes.

As used in these Conditions:

Relevant Date in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date

on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, ***provided that*** payment is in fact made upon such presentation; and

Tax Jurisdiction means (i) the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax and (ii) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it in respect of interest on the Notes and Coupons, ***provided that*** no additional amounts shall be payable in respect of any withholding or deduction imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

9. PRESCRIPTION

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

10. 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 listing 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 listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing 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.

11. AGENTS

11.1 Obligations of 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 fiduciary duties or obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders, and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of provisions of these Conditions by the Fiscal Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all the Noteholders of the Notes or Coupons.

No such Noteholder shall (in the absence as aforesaid) be entitled to proceed against the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

11.2 Termination of Appointments

The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) and to appoint an additional or successor fiscal agent or paying agent; provided, however, that:

- (a) the Issuer shall at all times maintain a Fiscal Agent; and
- (b) if and for so long as the Notes are admitted to listing and/or to trading and/or quotation on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent (which may be the Fiscal Agent) with a Specified Office in the place required by such listing authority, stock exchange and/or quotation system.

11.3 Change of Specified Offices

The Paying Agents reserve the right at any time to change their respective Specified Offices to some other Specified Office in the same city. Notice of any change in the identities or Specified Offices of any Paying Agent shall promptly be given to the Noteholders in accordance with Condition 16 (*Notices*).

12. ENFORCEMENT EVENT

In the event of compulsory winding-up (*Liquidazione Coatta Amministrativa*) of the Issuer pursuant to Article 80 of the Italian Banking Act, the Notes shall become immediately due and payable.

The rights of the Noteholders and the Couponholders in the event of compulsory winding up (*Liquidazione Coatta Amministrativa*) of the Issuer pursuant to Article 80 of the Italian Banking Act will be calculated on the basis of the principal amount of the Notes, plus any accrued but unpaid interest up to, but excluding the date the Notes become immediately due and payable, and any additional amounts due pursuant to Condition 8 (*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 (*Status of the Notes*) have been paid by the Issuer, as ascertained by the liquidator.

No remedy against the Issuer other than as provided by this Condition 12 shall be available to the Noteholders or the Couponholders whether for the recovery of amounts owing under or in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any of its obligations in relation to the Notes or the Coupons or otherwise.

No event of default for the Notes shall occur other than in the context of an insolvency proceeding (including, without limitation, *Liquidazione Coatta Amministrativa*) in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an event of default for the Notes for any purpose).

13. MEETINGS OF NOTEHOLDERS; MODIFICATION

13.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer at any time or by Noteholders holding not less than 10% in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing such Extraordinary Resolution is one or more persons holding or representing in the aggregate not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons (including modifying any date for payment of interest or principal on the Notes, reducing or cancelling the amount of principal (except as provided by the Conditions) or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders. Such modifications may only be made to the extent that the Issuer has obtained the prior written approval of the Competent Authority (if so required by the Relevant Regulations).

13.2 Modification of Notes

Subject to Condition 6.8 (*Conditions to redemption and purchase*), the Issuer and the Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of the Notes, the Coupons or the Agency Agreement which 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) in the sole opinion of the Issuer, not prejudicial to the interests of the Noteholders and/or the 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 proven error or (d) to comply with mandatory provisions of the law.

In addition, no consent of the Noteholders or Couponholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in Condition 5.6 (*Reference Rate Replacement*) or such other relevant changes pursuant to Condition 5.6(iii)(C) including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

14. VARIATION

If at any time an MREL Disqualification Event occurs and is continuing and/or in order to ensure the effectiveness and enforceability of Condition 18 (*Contractual recognition of statutory bail-in powers*)

with respect to the Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 nor more than 90 days' notice to the Paying Agent and the Noteholders, which notice shall be irrevocable, at any time vary the terms of the Notes so that they remain or, as appropriate, become Qualifying Notes, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

For the avoidance of doubt, no consent of the Noteholders shall be required for a variation of the Notes in accordance with this Condition 14 and the Fiscal Agent shall be obliged to agree to such variations provided that the Fiscal Agent shall not be obliged to agree to such variations if, in the reasonable opinion of the Fiscal Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Fiscal Agent in these Conditions and/or the Agency Agreement in any way.

15. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, 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, if any, on them and/or the issue price thereof) so as to form a single series with the Notes.

16. NOTICES

Notices to Noteholders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe (which is expected to be the *Financial Times*) and, so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market and the listing rules of Euronext Dublin so require, all notices to Noteholders shall be deemed to be duly given if they are filed with the Companies Announcement Office of Euronext Dublin.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Any notice so given will be deemed to have been validly given on the date of the first such publication. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 16.

17. GOVERNING LAW AND JURISDICTION

17.1 Governing law

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

17.2 Submission to jurisdiction

The Issuer agrees, for the benefit of the Noteholders and the Couponholders that the Courts of Milan are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or

in connection with them) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in the Courts of Milan and any claim that any such Proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the Courts of Milan shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer construed in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

18. CONTRACTUAL RECOGNITION OF STATUTORY BAIL-IN POWERS

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

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

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

The exercise of the Bail-in Power by the Competent Authority with respect to the Notes shall not constitute an event of default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Competent Authority may decide

in accordance with applicable laws and regulations relating to the resolution of credit institutions or investment firms incorporated in the relevant Member State.

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

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this “Overview of Provisions relating to the Notes while in Global Form”.

Temporary Global Note exchangeable for Permanent Global Note

The Notes will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note, without Coupons, which will also be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in the Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of the Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange of a part of the Temporary Global Note) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (b) in either case, receipt by the Fiscal Agent of confirmation from the Clearing Systems that a certificate or certificates of non-U.S. beneficial ownership have been received,

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

Permanent Global Note exchangeable for Definitive Notes

Interests in the Permanent Global Note will be exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Definitive Notes, if Euroclear or Clearstream, Luxembourg or any other relevant clearing system 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 in fact does so.

Interests in the Permanent Global Note will also become exchangeable, in whole but not in part only and at the request of the Issuer, for Definitive Notes if, by reason of any change in the laws of the Republic of Italy, the Issuer will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes are in definitive form.

Definitive Notes will bear serial numbers and have attached thereto at the time of their initial delivery Coupons.

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 to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The Terms and Conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the Terms and Conditions set out under “*Terms and Conditions of the Notes*” above.

The Terms and Conditions applicable to the Notes represented by one or more Global Notes will differ from those Terms and Conditions which would apply to the Notes were they in definitive form to the extent described in this “*Overview of Provisions relating to the Notes while in Global Form*”.

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

Payments: The holder of a Global Note shall be the only person entitled to receive payments in respect of the Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of the Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “Payment Business Day” set out in Condition 2.1 (*Definitions*).

Notices: Notwithstanding Condition 16 (*Notices*), 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, the requirement in Condition 16 (*Notices*) for a notice to be published in a leading English language daily newspaper having general circulation in Europe shall not apply and notices to Noteholders may instead be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Legend concerning United States persons

Permanent Global Notes, Definitive 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.”

The sections referred to in such legend provide that a United States person who holds a Note or Coupon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Clearing Systems

Any reference herein to Euroclear and/or Clearstream, Luxembourg, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the Noteholders.

USE OF PROCEEDS

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

DESCRIPTION OF THE ISSUER

OVERVIEW

FinecoBank is the parent company of the FinecoBank Group and is a multi-channel direct bank, providing banking, brokerage and investing services. It offers from a single account banking, credit, trading and investment services (a “one-stop” solution) through transactional and advisory platforms developed with proprietary technologies. FinecoBank offers an integrated business model combining direct banking and financial advice and distributes its products and services through multiple channels, including via one of the largest networks of personal financial advisors in Italy, its website and through custom-developed mobile applications.

FinecoBank is incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy and, pursuant to its articles of association, the duration of FinecoBank is set at 31 December 2100 and may be extended or terminated earlier by resolution of the shareholders’ meeting. FinecoBank is registered with the Companies’ Register of Milan-Monza-Brianza-Lodi (with company number 01392970404). It is listed on the Milan Stock Market and has been on Borsa Italiana’s FTSE Mib index since 1 April 2016. On 20 March 2017, FinecoBank’s stock became part of the STOXX Europe 600 Index.

FinecoBank is on the Standard Ethics Italian Banks Index© and the Standard Ethics Italian Index comprising the largest 40 companies listed on the Borsa Italiana FTSE-MIB), one of the leading performance indexes and a benchmark for environmental, social and governance concerns. In June 2021, the independent agency Standard Ethics confirmed FinecoBank's rating for the second year running at the "EE+" level, thus placing the Bank among only two banks with the strongest sustainability rating currently assigned. In the reasons that led to the decision, Standard Ethics cites FinecoBank's flexibility and ability to adapt quickly to market challenges: characteristics that have enabled the rapid implementation of ESG strategies in line with the indications of the UN, OECD and European Union. The agency also highlights Fineco's achievements in the area of sustainability governance, starting with the best practice represented by the company's Board of Directors in terms of independence, professional pluralism and gender equality.

Since 2017, FinecoBank is also present in the UK with an offer focused on brokerage and banking services. The telephone number for FinecoBank is +39 02 2887 21.

FinecoBank's offering is split into three integrated areas of activity: (i) banking, including current account and deposit services, payment services, and issuing debit, credit and prepaid cards, mortgages and personal loans; (ii) brokerage, providing order execution services on behalf of customers, with direct access to major global equity markets and the ability to trade CFDs (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates; (iii) investing, including the asset management activity carried out by the subsidiary Fineco AM, thanks to the vertically integrated business model, placement and distribution services of more than 6,400 products, including mutual funds and SICAV sub-funds managed by 70 leading Italian and international investment firms, insurance and pension products, as well as investment advisory services through a network of 2731 personal financial advisors as of 30 June 2021. FinecoBank provides asset management activities via its subsidiary Fineco AM, which has been fully operational since 2 July 2018.

As from 11 May 2019, FinecoBank is registered as the “Parent Company” of the “FinecoBank Banking Group” in the Register of Banking Groups (together with the subsidiary Fineco Asset Management DAC), exercising management and coordination activity over the group in accordance with the current legislation.

KEY FINANCIAL FIGURES

In 2020, FinecoBank generated operating income of €747.8 million (up 18.6% compared to €630.4 million for the year 2019) and net profits of €323.6 million (showing an increase of 12.2% compared to €288.4 million for the year 2019).

At the end of 2020, total financial assets (**TFAs**) (direct and indirect) from customers amounted to €91,709 million, up 12.6% on €81,419 million at the end of 2019, of which €45,381 million related to Asset under Management (+12% y/y at the end of 2019).

As at 30 June 2021, FAM retail TFAs amount to €13,215 million, compared to €10,542 million as at 31 December 2020, €8,920 million as at 30 June 2020 and €8,391 million as at 31 December 2019.

As at 30 June 2021, private banking TFAs amount to €44,763 million, compared to €38,614 million as at 31 December 2020, €33,024 million as at 30 June 2020 and €33,437 million as at 31 December 2019.

Net sales at the end of 2020 came to €9,283 million, increased compared to 2019 (+58.9% y/y): net sales of assets under management (**AUM**) came to €4,296 million, assets under custody came to €2,482 million and direct deposits came to €2,506 million. Net sales of Guided Products & Services came to €4,209 million (+12.3% y/y).

As at 30 June 2021, AUM on a daily basis came to €49.6 billion, compared to €40.7 billion as at 31 December 2020 and €37.2 billion as at 31 December 2019.

Net sales through the network of personal financial advisors (**PFA**s) totalled €7,984 million, up 55.9% compared to 2019. TFAs (direct and indirect) of the PFA network as at 31 December 2020 amounted to €79,644 million (+12.7% y/y).

As at 31 December 2020, the TFAs related to private banking clients, i.e. with assets above €500,000, totalled €38,614 million, being 42.1% of total TFAs of the FinecoBank Group.

In 2020, €179 million in personal loans and €687 million in mortgages were granted, and €877 million in current account overdrafts were arranged, with an increase in exposures in current account of €310.6 million; this has resulted in an overall 22.8%¹ aggregate increase in loans to customers compared to 31 December 2019. Credit quality remains high, with a cost of risk at 10 bp, driven by the principle of offering credit exclusively to existing customers, making use of specialist tools to analyse the bank's vast information base. The cost of risk is structurally contained and fell further thanks also to the effect of new loans, which are mainly secured and low-risk. The ratio between impaired loans and total loans to ordinary customers was 0.09% as at 31 December 2020 (0.11% as at 31 December 2019).

As at 31 December 2020, deposits from customers amounted to €28,359.7 million, up 9.4% compared to 31 December 2019, due to the growth in direct deposits. The total number of customers as at 31 December 2020 was 1,369,814, up 0.9% compared to the previous year.

¹ Loans receivable with ordinary customers include solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans).

The cost/income ratio went from 35.72% as at 31 December 2019 to 32.50% as at 31 December 2020, confirming the operating efficiency of the FinecoBank Group and the spread of the company culture of controlling costs.

As at 30 June 2021, the Issuer confirmed its solid capital position with a consolidated CET1 capital ratio of 18.59% (28.56% at year-end 2020). The total consolidated capital ratio as at 30 June 2021 was 29.87% (41.68% at the end of 2020). The reduction was mainly attributable to the fact that after the European Central Bank and Bank of Italy decided not to extend beyond 30 September 2021 the recommendation that all bank limit dividends, FinecoBank included at 30 June 2021 in foreseeable charges the dividends drawn from the available profit reserves, which the Board of Directors meeting of 3 August 2021 resolved to propose to the Shareholders' Meeting - convened on 21 October 2021 - to distribute during the fourth quarter of 2021, for an amount of €323.2 million. There is also an increase in risk weighted assets compared to 31 December 2020 mainly attributable to credit risk due to business growth, in particular lending to customers, financial investments and counterparty risk, due, in particular, to the introduction of the new SA-CCR methodology required by CRR II as of June 2021.

KEY COMPETITIVE STRENGTHS

FinecoBank's key competitive strengths are:

- its “one-stop solution” business model, which offers an integrated range of banking, brokerage and investing services from a single current account and through an integrated network of financial advisors, online and mobile channels.
- the quality, innovative design and ease of use of its proprietary operating platforms have been a key element of its product offering since it first entered the market for online financial services. These platforms, which include applications for banking transactions and securities trading, have been developed and are maintained by a skilled team of internal programmers and personnel that is responsible for FinecoBank's technological infrastructure. Developing and managing this infrastructure in-house allows FinecoBank to tap into industry-specific knowledge to respond quickly to customer demands and market trends with innovative products and technological solutions at a limited cost. Recent examples of FinecoBank's ability to provide new and innovative products include its SCT Instant service (SEPA Instant Credit Transfer), which has been launched so as to allow cash transfers between accounts in the SEPA Area within 10 seconds.
- the breadth and quality of its investing services. FinecoBank uses a guided open architecture business model to offer customers an extremely wide range of asset management products - comprising collective asset management products, such as units of UCITS and SICAV shares - from carefully selected Italian and international investment firms, pension and insurance products as well as investment advisory services. With regard to pension products, at the end of March 2018, the range was expanded with the launch of Core Pension, an open-end pension fund of Amundi SGR for long-term investments exclusively accessible to the FinecoBank network. As regards consulting services, 2018 was characterised by the launch of "Plus", the exclusive service dedicated to the FinecoBank network: a consulting contract through which the consultant can offer its customers highly diversified and freely customizable portfolios. The main feature offered by "Plus" is the global consulting service offered that spans asset management (funds and SICAVs) as well as asset administration products and ETPs (ETFs, ETCs, ETNs) and insurance investment products.
- its extensive network of financial advisors is fully integrated into its business model and widely disseminated across Italy in the “Fineco Centers”. As at 30 June 2021, the network consisted of 2,731

personal financial advisors distributed in Italy with 414 “Fineco Centers”. This network focuses on increasing FinecoBank’s total financial assets by bringing in clients who will use not just the bank’s investment advisory services, but also its banking and brokerage services. FinecoBank supports the growth and development of its financial advisor network by providing them with specially-tailored operating platforms that help them understand the financial needs of clients, raising the quality of the services provided and assisting in the steady, organic growth of FinecoBank’s total financial assets and the number of clients associated with a financial advisor. There is also continued investment in the commercial structures used by personal financial advisors, which contribute to raising the image and giving increasingly more coverage to the presence of FinecoBank in the Italian territory.

- a demonstrated capacity for attracting clients and building client loyalty. A high degree of client satisfaction (96% in May 2021) (Source: Kantar TNS Infratest), industry-specific knowledge, experience in designing user-friendly operating platforms, and effective marketing strategies that focus on consistent management of the Fineco brand and promotional activities (including by the financial advisors network), all contribute to FinecoBank’s ability to attract new clients (particularly those in the “private” and “affluent” segments) while building loyalty among existing clients.
- its integrated business model and breadth of investment products, which allows it to meet different clients’ needs in various market cycles, contributing to the bank’s ability to maintain consistent levels of total financial assets and a diverse revenue stream. Providing FinecoBank clients with a “one-stop solution” for their financial needs also encourages clients to deposit funds with FinecoBank for their day-to-day banking needs (which increases FinecoBank’s “transactional” liquidity associated with these deposits), resulting in more stable deposit levels. In addition, the fact that FinecoBank does not charge performance fees for its investing services helps insulate it from market fluctuations, provides greater visibility on its results and minimises potential conflicts of interests.
- a strong ability to adapt the scale of its operations, based on an effective organisational structure and internal processes, as well as highly scalable information technology systems. This enables FinecoBank to expand its activities without incurring significant increases in its operating costs.
- a highly scalable operating platform with a diversified revenues mix leading to consistent results across a variety of market conditions demonstrated by adjusted net profit (net of systemic charges) CAGR of approximately 13.1%, from 1 January 2014 to 30 June 2021.
- a continuous enlargement of the client base of active investors (i.e. clients performing less than 20 trades per month, with an average of 4 trades per month).

THE STRATEGY

FinecoBank’s overall strategy is aimed at consolidating and strengthening its position in the Italian market for integrated banking, brokerage, and investing services. It seeks to implement this strategy by leveraging its key strengths and executing specific strategies, including:

Development, expansion and training of the financial advisors network

FinecoBank aims to continue to expand its financial advisor network through recruitment of both experienced, high profile financial advisors—who can bring large portfolios and high-net worth clients to its network—as well as young professionals (including “millennials”) with the potential for growth and who will help FinecoBank address generational turnover. FinecoBank invests in its financial advisors by providing training programs that teach them the necessary skills for providing advanced advisory and wealth management

services and by focusing on building loyalty among current financial advisors and encouraging the recruitment of new candidates. FinecoBank also intends to continue focusing on organic growth of its financial advisors network, both in terms of its client's total financial assets and the number of clients.

Continuous improvement of its integrated offering

FinecoBank intends to continue to develop its offering of banking, brokerage, and investing services in an integrated manner that promotes its “one-stop solution” business model, with the goal of increasing its client loyalty and encouraging its clients to use FinecoBank for their day-to-day banking needs.

Leverage its operating platform and internal know-how

FinecoBank believes it is well-positioned to manage the development and growth of its business effectively by leveraging its innovative skills, highly scalable information technology infrastructure, extensive internal know-how in producing advanced and effective front-end applications and efficient back-end systems, and by building upon the efficiency of its organisational and operating structure.

The aforementioned initiatives are expected to be complemented by further investments in advertising and marketing, with the purpose of reinforcing perceptions of FinecoBank's brand, which is marketed as being characterised by: simplicity, transparency and innovation. FinecoBank believes that these actions are consistent with anticipated market trends, which are expected to be marked by an increasingly digitalised society and an increased demand for financial advisory services. FinecoBank believes that these trends favour its strategic market position as a direct, multi-channel bank, and they should allow it to successfully implement its strategy.

Capital efficiency and focus on the investing value chain

Fineco has introduced a wide range of initiatives to move progressively towards a more capital efficient business model while at the same time further improving its revenues mix, becoming more focused on the financial needs of its clients. In this respect, in 2021 FinecoBank introduced two strategic discontinuities: the first is the acceleration of its strategy to deleverage the balance sheet, by actively managing its deposit base (and therefore its Leverage Ratio Exposure); the second is taking more control of the investing value chain through Fineco Asset Management, in order to further accelerate investing revenues and margins and progressively improve the FinecoBank's revenues mix.

Marketing Strategy

As of 30 June 2021, FinecoBank had 1,403,968 clients (compared to 1,369,814 clients as of 31 December 2020).

FinecoBank's “one-stop solution” of integrated banking, brokerage, and investing services targets a broad range of retail clients, which the Issuer categorises as:

- “investors,” namely clients that are attracted by the breadth of investment solutions FinecoBank offers and the advisory services provided by financial advisors;
- “traders,” namely clients that are attracted by FinecoBank's efficient, functional, innovative, and complete brokerage operating platforms; and

- “bankers,” namely clients that are attracted by FinecoBank’s easy-to-use and efficient banking operating platforms and more generally by the mix of traditional and innovative services offered.

FinecoBank analyses its clients and potential clients in terms of their financial assets, generally targeting retail clients (as opposed to corporate clients) and, within the retail market, particularly targeting “affluent” clients, who the Issuer characterises as having between €50,000 and €500,000 in total financial assets and “private” clients, who have more than €500,000 in total financial assets. These “affluent” and “private” clients are generally characterised by higher net worth and savings rate, thus are best-suited to fulfilling the Issuer’s business objectives and taking advantage of the various services offered.

In terms of communication and market positioning, FinecoBank’s strategy is based on three qualities that clients associate with the “Fineco” brand and its business: simplicity, transparency, and innovation. The Issuer’s advertising slogan (“The bank that simplifies banking”) is consistent with its mission: conceiving and implementing the best solutions to satisfy client needs. The Issuer’s positioning and advertising message also aims to overcome the perception of FinecoBank as being simply an “online bank” and reaches a broader public that is not necessarily familiar with direct channels.

FinecoBank carries out brand and product campaigns using media (primarily TV, radio, and online), as well as running promotions (for the opening of new accounts or increasing asset gathering), events, and meetings at a local level in collaboration with the financial advisors network (targeted at both current and potential clients). The Issuer also offers online and in-classroom courses (in order to acquire new clients and to encourage the activity of current clients), uses social networks (FinecoBank is the most followed bank in Italy on Twitter and has the highest level of fan interactions on Facebook), and participates in national events dedicated to issues relating to investments and online trading.

The first half of 2021 was characterized by a particular commitment to present FinecoBank’s approach to sustainability, not only meant as attention to the environment and ESG investment offer, but integrated with a specific attention to the issue of transparency on costs. A further focus also concerned the Fineco initiative to introduce the issue of excess liquidity on current accounts into the public debate, with the aim of stimulating reflection on the opportunity to invest deposits to avoid erosion by inflation.

In the same period, FinecoBank’s reputation index recorded a further increase compared to the all-time highs reached in 2020, positioning FinecoBank as the second bank by reputation in Italy, while FinecoBank’s customer satisfaction reached 96% in May 2021 (Source: Kantar TNS Infratest).

Fineco’s marketing and communication activities in the UK were concentrated in the first half of the year on complementing the trading segment with the enrichment of the investment platform. In addition to the possibility for customers to choose from a range of funds created by a selection of asset managers in constant expansion, the ISA pension investment offer was launched together with a promotion that allows clients to reset commissions should they move their ISA account from another provider.

In the same period, all advertising campaigns in the trading segment were enhanced to continue to support positioning in this business segment and to attract new customers.

HISTORY

The Issuer started its operations on 4 March 1982 as a limited liability company under the name GI-FIN S.r.l., engaging in the business of securities trading both for its own account and for third parties. The Issuer was re-incorporated as a joint stock company on 12 October 1982 under the name GI-FIN S.p.A..

During its first years of operation, the Issuer's banking business mainly focused on granting personal loans to retail clients. In 1996, the Issuer became part of the BIPOP Banca Popolare di Brescia banking group and in August 1999 it changed its name to FIN-ECO BANCA ICQ S.p.A., or, in abbreviated form, BANCA FIN-ECO S.p.A., and began expanding the range of banking products it offered.

Following the merger of Cassa di Risparmio di Reggio Emilia S.p.A.—CARIRE into Banco Popolare di Brescia S.c.r.l., the Issuer became part of the BIPOP-CARIRE banking group, and in 2001 it acquired FIN-ECO ON LINE SIM S.p.A., which was engaged in an online trading business, laying the foundation for the development of a complete and integrated offer of banking and investing services. As a result of this transaction, the Issuer was able to provide the first interest-bearing savings account in Italy that was coupled with banking and investing services through the online channel. In the following years—in addition to expanding its range of banking, brokerage, and investment products—the Issuer started to provide financial advisory services through its own network of financial advisors as well as through a network of mortgage brokers. This created a unique business model in the Italian market and led to a significant increase in clients.

In 2002, the Issuer merged into the Capitalia Group as a result of the merger of BIPOP-CARIRE and Banca di Roma. Following the establishment of the Capitalia Group, the Issuer reorganised its business and structure, particularly its brokerage business and network of financial advisors, with the aim of integrating the business units of the two banking groups that existed prior to the merger.

On 24 June 2004, the Issuer changed its name to FinecoBank Banca Fineco S.p.A., or, in abbreviated form, FinecoBank S.p.A., Banca Fineco S.p.A. or Fineco Banca S.p.A.

By 2006, the Issuer was the leading Italian broker in terms of number of trades, with a market share of 7.44% (Source: Assosim). The volume of trades that the Issuer executed grew steadily as a result of the increased volume of trades that it carried out on behalf of the Capitalia Group as well as the growth in volumes from new clients.

On 20 September 2007, Capitalia S.p.A. merged into UniCredit S.p.A. (**UniCredit**) and the Issuer became a member of the UniCredit Group. After the merger, UniCredit engaged in a reorganization process that assigned the Issuer responsibility within the UniCredit Group for increasing liquidity and access to capital through increasing customer deposits (referred to as “asset gathering”) and the online trading business, thereby replacing UniCredit Xelion Banca S.p.A., which had been the UniCredit Group's multi-channel bank, providing banking and financial services through financial advisors.

Additionally, this reorganisation process provided for the removal of the Issuer's business units relating to loans, credit cards and personal loans that are secured by the borrower's paycheck and the relocation of those product areas in the relevant companies of the UniCredit Group that were focused on these areas. This reorganisation also entailed the Issuer's acquisition of UniCredit Xelion Banca S.p.A. and its subsidiary XAA Agenzia Assicurativa S.p.A., to eliminate any overlap between the businesses and further consolidate the Issuer's leading position in the Italian asset gathering and online trading markets. The merger with UniCredit Xelion Banca S.p.A. also generated an increase in revenues due to the significant growth in the Issuer's total financial assets and the expansion of its distribution channels, particularly its network of financial advisors.

On 15 April 2014, FinecoBank approved the proposal for admission to listing of its ordinary shares on the MTA (*Mercato Telematico Azionario*) of the Italian Stock Exchange (*Borsa Italiana S.p.A.*). The listing and consequent expansion of the shareholders' base have enabled the Issuer to strengthen the visibility of its business model, thereby improving its standing in the market, thanks also to national and international institutional investors becoming shareholders of FinecoBank. Since 1 April 2016, FinecoBank has been included in the benchmark stock market index (FTSE-Mib) for Borsa Italiana, which consists of the 40 most-

traded stock classes on the exchange, and since March 2017, its shares are included in the STOXXEurope 600 Index.

Since 2017, FinecoBank is also present in the United Kingdom pursuant to the freedom to provide services in the EU, with an offer focused on brokerage and banking services. As at the date of these Listing Particulars, FinecoBank has one wholly-owned subsidiary, Fineco AM, which is an Irish investment firm that was set up in the last quarter of 2017. Fineco AM was incorporated with the aim to offer its customers a range of internally and externally managed UCITS funds, with a strategy focused on the definition of strategic asset allocation and selection of the best international managers, and therefore, to diversify and improve the offer of asset management products and to further increase the competitiveness of FinecoBank through a vertically integrated business model. During the first half of 2018, Fineco AM carried out the passporting process of the UCITS management company from Ireland to Luxembourg with the aim to become the manager of the “*Fonds Commun de Placement (FCP) CORE SERIES Umbrella Fund*”, managed by Amundi S.A.. The passporting process was successfully concluded on 2 July 2018. On 1 August 2018, Fineco AM received approval from the Central Bank of Ireland for its multi manager UCITS umbrella fund, “*FAM Series UCITS ICAV*” and on 11 December 2018, for an additional UCITS umbrella fund of funds range, “*FAM Evolution*”. In 2018 Fineco AM obtained the passport for the UCITS management company from Ireland to Luxembourg in order to become the manager of the “*Fonds Commun de Placement (FCP) CORE SERIES Umbrella Fund*”, managed by Amundi S.A. . On 1 August 2018, Fineco AM obtained the approval of its UCITS umbrella fund multi manager “*FAM Series UCITS ICAV*” from the Irish Central Bank and on 11 December 2018, of a further UCITS umbrella fund, “*FAM Evolution*”. As at 31 December 2020, Fineco AM managed €16.3 billion of assets, of which €10.5 billion were retail class and around €5.8 billion institutional class.

On 10 May 2019, FinecoBank ceased to be a member of the UniCredit Group, following the sale by UniCredit of approximately 103.5 million ordinary shares in FinecoBank (equal to approximately 17% of the Issuer’s issued share capital). As a result of this transaction, UniCredit continued to hold a minority shareholding in the Issuer (equal to approximately 18% of the Issuer’s issued share capital). However, on 8 July 2019, UniCredit announced that it had sold its entire stake of 18.321 per cent. of the share capital of FinecoBank. The completion of such sale occurred on 11 July 2019.

BUSINESS AREAS

FinecoBank is an Italian, multi-channel direct bank which provides its retail clients with a “one-stop solution” of integrated banking, brokerage and investing services. FinecoBank distributes its products and services through multiple channels, including its network of personal financial advisors, its website and through custom-developed mobile applications, which are supported by FinecoBank’s customer contact center and the branches and ATM network of the UniCredit Group. FinecoBank offers its banking, brokerage and investing services by leveraging its integrated distribution structure and the complementary nature of these services, a distinguishing trait that it believes helps build client loyalty, as clients may rely on it both to carry out their ordinary banking operations and to perform investing activities.

FinecoBank's offering is split into three integrated areas of activity: (i) banking, including current account and deposit services, payment services, and issuing debit, credit and prepaid cards, mortgages and personal loans; (ii) brokerage, providing order execution services on behalf of customers, with direct access to major global equity markets and the ability to trade CFDs (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates; (iii) investing, including the asset management activity carried out by the subsidiary Fineco AM, thanks to the vertically integrated business model, placement and distribution services of more than 6,400 products, including mutual funds and SICAV sub-funds managed by 70 leading Italian and international investment firms, insurance and pension products, as well as investment advisory

services through a network of 2731 personal financial advisors as of 30 June 2021. FinecoBank provides asset management activities via its subsidiary Fineco AM, which has been fully operational since 2 July 2018.

Banking Services

FinecoBank offers its clients a broad range of banking services, including account services (i.e. demand or term deposits), payment services and credit facilities. The Issuer's clients may access the bank's services by opening an account with FinecoBank, either through a financial advisor, online or through the Issuer's contact center. The account is also instrumental to accessing brokerage and investing services.

The Issuer provides its clients with banking services: (i) through its online website; (ii) through mobile applications it develops; (iii) by telephone through its contact center; and (iv) for certain services, at UniCredit branches and ATMs, on the basis of existing agreements with UniCredit, extended for 20 years at market conditions agreed from time to time, following FinecoBank's exit from the UniCredit Group from 10 May 2019.

A key element of the Issuer's product range, including with respect to its banking services, is the ease of use of its platforms and the functionality and efficiency of the design interface. The Issuer continually strives to ensure ease of use and access to its services, by developing functional and intuitive browsing interfaces, even for its most complex processes and services.

Banking and Payment cards

With regard to "Banking and Payment" cards, FinecoBank is committed to offering its customers new services or improving existing services, with a strong focus on digitisation and innovation. In 2020 the Banking area implemented improvements to existing products and services, and continued to optimize digitalisation processes and to expand its offering of products and services. These efforts were also useful in dealing with the COVID-19 emergency. In this context the main products and services made available in 2020 included:

- the launch of FinecoPay, the new app feature allowing customers to send or receive money without knowing the IBAN of the beneficiary;
- the expansion of the multicurrency service contract, in both Italy and the United Kingdom, to include the following new currencies: Norwegian krone, Polish zloty, New Zealand dollar, Danish krone, Singapore dollar, Hong Kong dollar, Czech koruna and Hungarian forint;
- free access for all customers to Moneymap, Fineco's account-integrated household budget tool that automatically categorizes incoming and outgoing movements and helps customers save money by using the "budget" function. This service has been further expanded with a feature that compares yearly expenditures and income;
- a feature allowing simplified F24 tax payment forms to be paid directly from the Fineco app;
- the strengthening of the services targeted to the UK market aimed at offering UK residents the access to Fineco banking and credit services through multichannel platforms dedicated to the UK market and the usage of web advertising and member-gets-member initiatives targeted to UK residents
- for UK customers only, the improvement of the onboarding process from the app with the introduction of a new identification method through a video selfie. The functionality, considered as strengthened customer verification for AML (Anti-Money Laundering) purposes, allows customers to request the

opening of a Fineco current account directly from their smartphone and in full autonomy. The onboarding process through the app has also been strengthened through the integration of further automations that reinforce the process of verifying the genuineness of the identification document presented by the customer.

Following the COVID-19 health emergency, new processes were also put in place to enable financial advisors to continue acquiring clients remotely. In particular, an internal process was developed within the Bank allowing financial advisors to have their clients open a current account in complete autonomy, directly from the public area of Fineco Bank website, proceeding with the simultaneous assignment.

The number of current accounts opened with FinecoBank has increased, the effect of which was mainly recorded in the balance of direct deposits, which rose from €28,014.0 million as at 31 December 2020 to €28,272.6 million as at 30 June 2021.

The number of current accounts, new accounts and active current accounts (i.e. accounts that have done at least one operation among Listed or OTC services) with FinecoBank in the United Kingdom has increased consistently since 1 January 2018.

Mortgages, credit facilities and personal loans

With respect to lending services, in 2020 FinecoBank continued to optimize its current loan portfolio while handling the new needs arising from the COVID-19 health emergency.

Regarding the optimisation of the current loan portfolio:

- fixed-interest mortgage loans are now offered with a "locked-in rate" depending on the characteristics of the loan (rather than the previous sum of benchmark IRS plus spread), guaranteeing the rate applicable on the date of the loan's definitive approval for the following 30 days. This aims to make loan conditions even clearer and more transparent, expanding the customer's right of withdrawal;
- an online revolving feature has been developed for ordinary securities guaranteeing Lombard loans. This feature makes it possible for customers using an ordinary portfolio to secure Lombard loans to order purchases, sales and switches within the portfolio directly from their online personal area, without assistance from their financial advisor.
- customers can now digitally sign Credit Lombard subscription requests entered by Financial Advisors on the X-Net Platform. This feature complements the digitization of product request processes, joining the website request form introduced in 2019;
- FinecoBank introduced customized pricing, for Mortgage and Credit Lombard, depending on the type of customer to whom they are dedicated. This initiative is in line with what has already been carried out on personal loans.

To support customers' needs in relation to the COVID-19 emergency, in addition to the moratorium on mortgage payments through use of the CONSAP Fund (in accordance with the Italian Government's *Cura Italia Decree*), FinecoBank has taken the following measures:

- participation in the Italian Banking Association (ABI) for the suspension of loans to households as a result of the COVID-19 pandemic (personal loans and mortgages other than those covered by the CONSAP fund) in line with the EBA Guidelines;

- introduction of a new unsecured credit line that gives eligible customers an advance on ordinary or extraordinary unemployment benefits while awaiting payment from the appropriate entities.

Finally, with the aim of allowing its customers to take full advantage of the tax benefits introduced by the so-called "*Decreto Rilancio*", FinecoBank has introduced an offer dedicated to the acquisition of tax credits, which provides for:

- the possibility of purchasing the tax credits of individual account holders, guaranteeing them immediate settlement of the credit on the current account with no need to wait for the deduction recovery time (5 or 10 years);
- the possibility of accessing an unsecured overdraft facility at a convenient interest rate, which can be used to finance the start-up of the works that will give rise to the credit.

In 2020 the FinecoBank Group did not purchase tax credits either following transfer by direct beneficiaries or by previous buyers.

Furthermore, the credit lines guaranteed by securities granted in 2020 totalled €863 million (€840 million related to "Credit Lombard" product, €21 million related to credit facilities secured by pledged and €2 million related to credit facilities with mandate for sale), equal to 98% of total amount of credit lines granted.

Brokerage Services

FinecoBank provides its brokerage services mainly through direct channels (online and mobile) on the basis of three proprietary operating platforms that it has developed internally, in addition to making these services available by phone through its customer contact center. These platforms allow different types of clients to access its brokerage services quickly and conveniently, and these platforms are characterised by easy-to-use interfaces and an innovative design. FinecoBank's platforms consist of:

- **Web Platform:** this base platform that is offered to all clients can be customised on the basis of the client's profile and offers a wide range of tools for trading on markets, such as real-time reporting, complete with professional diagrams and accessory services;
- **Mobile Application:** a platform accessible via mobile devices (including both smartphones and tablets) is offered to all clients, updated in real-time; and
- **PowerDesk:** a professional platform is offered upon payment - this platform is automatically updated in real-time, displays advanced diagrams, and contains professional analysis and research, as well as sophisticated tools for trading.

As of 30 June 2021, FinecoBank had approximately 185,000 active clients of its brokerage services. As of 30 June 2021 FinecoBank's brokerage platform had direct access to 26 global markets, bonds, ETFs, futures and 21 currencies, both online and mobile.

The Issuer's brokerage operations are fully integrated with its bank account services and information technology infrastructure, and do not require clients to open a separate account or activate access to these services, which the Issuer believes facilitates cross-selling of its services.

In addition to the aforementioned factors, the Issuer believes there are several aspects of its brokerage operations that distinguish it from its competitors. Due to FinecoBank's significant trading volumes and broad

client base, it is able to act as a systematic internaliser on stocks, bonds, and foreign exchange markets, acting as a direct counterparty for its clients' orders (or by trading on its own behalf) without transmitting the orders through third parties. This enables the Issuer to maximize margins on the execution of orders for its clients, reducing the cost of execution on regulated markets, and permits the Issuer to develop specific, internal insight into market modelling and execution systems.

FinecoBank also provides its clients an on-demand margin setting service, within predetermined limits. This service enables clients to undertake leveraged purchase and sale transactions of securities (both long and short), thereby committing an amount equal only to a percentage of the market value of the securities traded. This amount represents the transaction's collateral security margin. The transaction is unwound automatically when a pre-set percentage of the collateral security margin is lost, and this allows clients to manage their exposure to trading and to avoid incurring losses that are higher than the amount withheld. When clients use the margin setting service, in addition to paying fees, FinecoBank receives the payment of interest on the amount of the open position (i.e. on the balance between the value of the securities and the collateral security margin).

FinecoBank has developed a leading position over time in the Italian brokerage market. In 2020, it was the leading Italian brokerage bank for equity trades in terms of volume of orders (with approximately 46.8 million orders executed), with a market share of 27.82%, as well as in terms of executed orders, with a market share of 24.42% (Source: Assosim). For the year 2020, the average client breakdown by number of executed orders on registered securities and other products was as follows: i) 84% of clients executed 1 order per month, ii) 14% of clients executed 20 orders per month and iii) 2% of clients executed 200 orders per month.

In connection with its brokerage services, FinecoBank also offers securities deposit and administration services for its clients, in addition to receiving and transmitting orders. As of 31 December 2020, FinecoBank was the leading operator for trading on behalf of third parties on the Mini-Futures index (36.53% market share) (Source: Assosim).

FinecoBank provides its clients access to trading in securities on major Italian and international markets, in addition to occasionally matching orders and crossing trades internally between clients. Its brokerage services provide clients access to a wide range of trading products that include, among others, stocks, bonds, ETFs, futures, options, CFDs (on currencies, indices, stocks, bonds, and commodities), and structured products (i.e., certificates).

For equity and debt markets, FinecoBank provides its clients the ability to trade domestically in Italy on the MTA, EuroTlx, EuroMot, and HI-Mtf, and on major European markets, including those in Germany, the United Kingdom, France, Spain, Switzerland and the Netherlands. In the United States it provides its clients access to the NYSE, NASDAQ and AMEX. FinecoBank also offers the ability to trade in derivatives on the Italian Derivatives Market (IDEM), European Derivatives Exchange (EUREX) and Chicago Mercantile Exchange (CME). FinecoBank is a direct member in almost all the markets on which its clients trade in securities (except for the markets in Finland, Switzerland, Spain and the United States, where it provides a service of receiving and transmitting orders). This enables FinecoBank to improve the level of service provided in terms of trading speed and quality of information flow on its platforms.

FinecoBank charges its clients fees for the brokerage services it provides, based on the type of market and securities involved for each order, and these fees decrease based on increases in the number of transactions performed by the client. It also charges specific monthly fees for the use of the Power Desk platform.

2020 showed positive results in brokerage, thanks to the integrated platform and a complete offer of services and tools to operate in markets, associated with a diversified business model and a strategy focused on the long-term sustainability of growth of FinecoBank. The results have been achieved in a very complex market

situation that FinecoBank has faced with a strengthening of its operating efficiency and in productivity, focusing on quality, transparency and innovation.

Investing Services

As part of the Issuer's shift in its investment platform from an open architecture model to a guided open architecture model, beginning in 2010, FinecoBank offers customers an extremely wide range of asset management products - comprising collective asset management products, such as units of UCITS and SICAV shares - from carefully selected Italian and international investment firms, pension and insurance products as well as investment advisory services. The guided products that FinecoBank offers currently consist of multi-segment funds of funds that allow its clients to diversify their risk exposure by spreading that risk across a number of issuers and products rather than investing in a single issuer or security. The Issuer's clients have expressed a growing interest in these types of products, based on their better risk/return ratio, and they are also more profitable for FinecoBank as compared to the other products offered to investors.

The asset management products that FinecoBank offers generally provide for the payment by the investor of commissions consisting of: (i) upfront fees; (ii) management fees; and (iii) performance fees. These commissions are paid by the investor to the investment firm, and FinecoBank typically receives a payment from the investment firm of a part of the upfront fees (if any) and the management fees. FinecoBank reviews the fee structure applied by the investment firms on an ongoing basis, particularly regarding the performance fees, in order to verify compliance with international standards of fairness.

The placement agreements usually provide that the upfront fees paid by the clients are fully paid by the investment firms to FinecoBank, and also set forth the share of the management fees that the investment firms will pay FinecoBank. FinecoBank does not earn any performance fees.

Insurance Products

The Issuer currently distributes life and retirement insurance policies and unit-linked insurance policies, on the basis of placement agreements with Aviva S.p.A., Skandia Vita S.p.A., CreditRas Vita S.p.A., CNP UniCredit Vita S.p.A. and MetLife Europe Limited.

The unit-linked policies are of particular strategic importance for FinecoBank's business, as they enable its clients to invest in asset management products while providing certain tax and other advantages over a direct investment. Specifically, "Core Unit" and "Advice Unit" products allow FinecoBank's clients to obtain both the typical advantages of insurance products (namely, estate planning and tax efficiency) and the typical advantages of guided products (namely, the opportunity to invest in multiple asset management products at the same time).

FinecoBank also distributes the following life and retirement insurance products:

- Whole life insurance policies (CreditRas Garantito New, CreditRas Garantito Facile, CreditRas UniRend New, and Aviva Top Valor) offering capital protection with a valuation that is intended to never be negative, due to the high concentration of investments in government securities.
- Individual pension plan policies (Aviva Top Pension) enabling clients to build a supplementary retirement pension through flexible, customised accumulation plans.
- Term life insurance policies (Aviva Top Defense and CreditRas Protezione) that are aimed at ensuring financial support to beneficiaries in case of specific life events impacting the policy holder.

Retirement Products

FinecoBank makes open-ended pension funds and individual retirement plans available to its clients through placement agreements with Amundi SGR S.p.A., Arca SGR S.p.A., Anima SGR S.p.A., PIM SGR and Aviva S.p.A. FinecoBank's range of retirement products is characterised by diversification both in terms of investment firms and in terms of categories of products distributed (multi-segment lines, capital protection lines, minimum guaranteed yield lines, etc.).

The funds offered are relevant for clients interested in setting up an individual or collective supplementary pension plan. These products entitle the subscriber to receive, upon reaching retirement age, the payment of an annuity that is in certain cases coupled with a clause that permits for survivorship benefits.

Fee based investment advisory services

FinecoBank offers its clients investment advisory services through its financial advisors, based on customised recommendations on specific financial products and investment strategies, with the objective of ensuring that its clients' investments reflect their risk profile and yield targets, while enhancing portfolio diversification. FinecoBank offers traditional advisory services and two advisory services. The first service, called Advice, was launched in 2010 as part of the guided open architecture model, this is a guided service that: (i) minimizes the potential conflict of interest of the financial advisor through a compensation structure that provides for a transparent payment for advisory services, regardless of the fees earned by FinecoBank and the financial advisor for the placement of products in the client's portfolio; and (ii) supports the financial advisor's activities by supplying internally developed technical tools and investment models that reflect different risk/return profiles.

More specifically, as part of this enhanced advisory service, the financial advisors determine the most appropriate asset allocation for the client on the basis of his or her risk/return profile, by using models that allow the advisor to:

- (i) carry out a review of the client's portfolio, including both assets invested with FinecoBank and assets invested with other credit institutions, with a detailed mapping of the client's asset allocation, the risk/return profile of the portfolio, the cost of each security in this portfolio, and the portfolio's overall performance; and
- (ii) monitor the portfolio, and provide financial advice on an ongoing basis concerning asset allocation, the securities in the portfolio (with a view to high quality products in terms of, among other things, rating and liquidity), and the consistency of these securities with the risk/return profile of the client.

FinecoBank charges its clients a monthly fee (a portion of which is paid to the financial advisor) for these enhanced advisory services, which are determined in consultation with the financial advisor on the basis of the risk/return profile and timeline of the investments that are made, independent of the fees earned by the investment firms for the products in the client's portfolio. The fees for this enhanced advisory service are generally more profitable for FinecoBank with respect to the mere placement of securities in FinecoBank's clients' portfolios, in consideration of the higher value added of this service.

As of 30 June 2021, the Issuer offered nine multi-asset risk/return profiles, in the context of its enhanced advisory services, which draw from the products in its investment platform (investment funds, SICAV open-ended funds, ETFs, government treasuries, corporate, and supranational securities).

Since 2018 Fineco offers a second advisory service called Plus, dedicated to the FinecoBank network: a consulting contract through which the consultant can offer its customers highly diversified and freely customisable portfolios.

The main differences between Plus and Advice are: pricing model, wider range of eligible assets and new look through reporting dedicated to Plus.

The pricing model of Plus is “fee on top”, so on average is lower than Advice but it is added to the management fees of the AUM.

It is worth noting the entry into the platform of Fineco AM’s funds. Starting from September 2018, Fineco AM launched the new range of funds under delegation, using partnerships with the best international managers. Fineco AM’s structure will take full advantage of the opportunities offered by FinecoBank’s open architecture and it is expected it will allow FinecoBank to more closely cater to its customers' needs, to more efficiently select products and achieve greater profits through its vertically integrated business model. See “- *Asset Management Activities – Fineco AM*” below.

With regard to pension products, at the end of June 2021, the range was expanded with the launch of Core Pension, an open-end pension fund of Amundi SGR for long-term investments exclusively accessible directly online or through web collaboration PFA. With respect to insurance advisory services, the range of products was extended through the new version of “Multi line” with 5 combinations of the GEFIN Separate Account and Internal Insurance Funds (AIF) denominated Core Multiramo Extra.

Despite the complex market situation, characterised by the return of volatility, FinecoBank’s network of personal financial advisors has confirmed its ability to act as a privileged interlocutor in the financial planning of customers. The total net sales recorded as at 31 December 2020 amounted to €7,984 million (+ 55.9% y/y), of which assets under management of €4,285 million. As at 31 December 2020, the sales from advisory services amounted to €2,259 million and 61,824 were the current accounts opened through the network of personal financial advisors.

With regard to the private segment, the total net sales amounted to approximately €3,516 million and the overall assets as at 31 December 2020 amounted to approximately €38.6 billion, referring to 40,912 clients, mainly distributed in the €1-5 million range.

Asset Management Activities – Fineco AM

FinecoBank’s wholly-owned subsidiary, Fineco AM, is a UCITS management company incorporated on 26 October 2017 in the Republic of Ireland with the aim to offer its customers a range of UCITS, with a strategy focused on the definition of strategic asset allocation and selection of the best international managers, and therefore, diversify and improve the offer of asset management products and further increase the competitiveness of FinecoBank through a vertically integrated business model.

As at 30 June 2021, the volumes of net assets under management managed by Fineco AM amounted to €20.3 billion, of which €13.2 billion were retail class and €7.1 billion institutional class.

DISTRIBUTION NETWORK

FinecoBank operates through a multi-channel structure, relying on a network of financial advisors as well as “direct” online and mobile channels. FinecoBank also relies on the support of the network of bank branches and ATMs of the UniCredit Group and its customer contact center, which allows clients to contact FinecoBank

by phone, email and through instant-messaging services. FinecoBank acquires new clients primarily through its financial advisors who promote FinecoBank and the services offered at a local level—whether through personal contacts, word-of-mouth advertising, client events and marketing initiatives that are organised locally—while also relying on FinecoBank’s marketing and communications campaigns.

Financial Advisors

FinecoBank’s network of personal financial advisors, or PFAs, operate throughout Italy and provide investment advisory services to clients, whilst promoting the investment products that FinecoBank distributes. In advising clients, FinecoBank’s financial advisors are aided by the fact that many clients use FinecoBank as a “one-stop solution” for their financial needs, allowing the financial advisors to easily understand the full financial profile of clients and their investment needs.

In terms of size and managed assets, FinecoBank's personal financial advisors network is the third largest in Italy. It is one of FinecoBank's key business channels, both in terms of acquiring new customers and of managing and retaining existing ones. To support the financial advisors in their work, FinecoBank adopts a cyborg-advisory model: thanks to an advisory platform extremely advanced from a technological point of view and extremely modern in terms of advisory solution offered, financial advisors can manage, also through remote connection, a bigger number of clients, always providing a timely assistance and constant innovation in terms of new proposals and rebalancing accordingly with the evolution of the market scenario and customer needs.

Moreover, starting from FinecoBank’s open architecture, one of the most complete on the market, the investment solutions (so called **Guided Products and Services**) allow personal financial advisors to work with no conflicts of interest, providing the best answers to customers.

FinecoBank internally developed X-Net, the new cyborg advisory platform for its personal financial advisors. The personal financial advisor is at the heart of a system characterised by advanced digital services which simplify its job and strengthen the relationship with the customer. The X-Net platform represents one of the pillars of FinecoBank’s advisory model as it leverages on a cyborg advisory concept which, differently from a pure robo-advisory approach, maintains the importance of a financial advisor but with the essential support of technology. Moreover, customers can easily, quickly and safely manage the investment proposals through the web and mobile collaboration service, available from mobile and PC, even more simplifying the interactions between personal financial advisors and clients. The personal financial advisors therefore benefit from a faster and paperless activity and customers benefit from a more flexible service. This service is fully integrated into X-Net.

The following table sets forth the growth of total financial assets of FinecoBank clients that were managed by financial advisors as of 31 December 2019 and 31 December 2020, as well as the net sales realised through the network of financial advisors for the years ended on 31 December 2019 and 31 December 2020. This break down allows to identify the contribution to the net sales from: (i) the recruitment of financial advisors, (ii) the organic growth of FinecoBank’s network of financial advisors, and (iii) market effect. The table also shows the growth of the size of FinecoBank’s network of financial advisors for the period under review, as well as the average amount of total financial assets managed by each financial advisor.

	2020	2019
<i>(in thousands of Euros, except number of PFAs)</i>		
TFA Associated with PFA network	79,643,973	70,687,342

Total Net Sales	7,984,249	5,120,996
Number of PFAs	2,606	2,541

As of 30 June 2021, FinecoBank's network consisted of 2,731 financial advisors, who were coordinated by 177 group managers and 26 area managers (who are also financial advisors). The area managers report directly to the Financial Advisors Network Central Office. The Financial Advisors Network Central Office is supported by local coordinators, who are FinecoBank employees engaged in overseeing and supporting its commercial activities across Italy.

The productivity of the network is constantly growing. As at 30 June 2021, the average portfolio per financial advisor amounted to €32.5 million, up by 16.5% y/y, of which €18.6 million consisted of Asset Under Management (+20.7% y/y).

FinecoBank's financial advisors are not its employees, but rather enter into agency agreements with FinecoBank that engages them in the promotion and placement of the products FinecoBank offers across Italy. These contracts require that the financial advisors promote and place FinecoBank's products exclusively.

Fineco Centers

FinecoBank's financial advisors primarily work from the bank's Fineco Centers, which are physical offices throughout Italy. As of 30 June 2021, the Issuer had 414 Fineco Centers. Fineco Centers, which originally started as a simple workspace for the financial advisors, quickly evolved into multi-functional spaces that are a key point of client contact, complete with multimedia information displays, LCD digital video walls and dedicated areas for courses and events. Fineco Centers are located in the central areas in all of Italy's principal cities, and many of these serve as "flagship stores" that play an important role in FinecoBank's marketing campaign. FinecoBank's marketing strategy is focused on reinforcing the idea that it is a truly multi-channel direct bank, while also encouraging interaction with its financial advisors. The following table sets forth the number of Fineco Centers and personal financial advisors in each region throughout Italy as of 30 June 2021.

REGION	NO. FINECO CENTERS	NO. PERSONAL FINANCIAL ADVISORS
Lombardy	75	556
Piemonte	40	272
Veneto	36	196
Lazio	35	316
Sicily	35	186
Tuscany	32	189
Emilia Romagna	27	181
Campania	26	261

Puglia	20	102
Liguria	16	113
Marche	15	95
Abruzzo	11	54
Friuli Venezia Giulia	10	48
Trentino Alto Adige	10	26
Calabria	7	34
Umbria	6	50
Basilicata	5	13
Sardinia	4	26
Aosta Valley	2	7
Molise	2	6
Total	414	2,731

Online Channel

The online channel is FinecoBank's main distribution channel. It consists of FinecoBank's website (www.fineco.it), which has a public section, accessible to current and potential clients without any login, and a restricted area, accessible only by clients through a dedicated login.

FinecoBank's website and the operating platforms accessible through its website are developed in-house and the Issuer believes they are a highly distinctive aspect of its offering, characterised by a high level of functionality, ease of use, and an innovative design interface. The Issuer dedicates continuous efforts to improving and optimising its website, information technology systems and underlying software applications in order to provide easier and more intuitive navigation, greater clarity of information and greater operating efficiency.

The online channel is used by all of the Issuer's clients, whether or not they are linked to a personal financial advisor. Clients use the website for information purposes (to consult and monitor their account balances, investments and the performance of the financial markets) and as a system for directly carrying out transactions for their accounts (payment and other accessory services), and investment transactions on the Issuer's platforms.

The online channel also plays an important role in supporting financial advisors through the web collaboration service, which enables a financial advisor to send an advisory proposal in real-time to a client through the restricted area of the website. The client is then able to quickly evaluate the proposal and decide in real-time

whether to accept it. The web collaboration service embodies the Issuer's business vision, in which the online channel is not conceived of as independent from or competing with the network of financial advisors, but an integrated part of their services simplifying client interactions and supporting their advisory function while reducing costs (by minimising paperwork and reducing reliance on back office support).

Mobile Channel

As a result of the market success of smartphones and tablets and the applications, or "apps," developed for these devices, the mobile channel has increasingly gained relevance over the years, thanks in part to FinecoBank's internal development of apps for its banking and brokerage services that are specific to different devices and operating systems. FinecoBank clients can currently access the Issuer's mobile channel through browsers that access its website (www.fineco.it) or its mobile website (mobile.fineco.it), which are capable of providing all its banking and brokerage services or through the Fineco app and other applications that are specific to certain services, such as the Issuer's Logos app.

Additional Service Support

FinecoBank's distribution network also relies on a customer contact center and the UniCredit network of bank branches and ATMs for providing its clients with integrated and complementary support for their ordinary information and transaction needs. Since 2008, FinecoBank clients have been able to carry out ordinary banking transactions (such as cashing or depositing checks, cash withdrawals, sending wire transfers, and making tax or bill payments) at the approximately 2,118 branches and 2,118 "advanced" ATMs of the UniCredit Group (which offer a broader array of services than basic withdrawal-deposit ATMs), on the same financial terms that are available to them through online banking. FinecoBank clients can withdraw up to €3,000 daily from UniCredit Group ATMs.

FINECOBANK'S ORGANISATIONAL MODEL

FinecoBank's current organisational model is based on a functional model, which favours economies of scale and facilitates the development of vertical skills and knowledge within each area. The model guarantees the necessary decision-making mechanisms, whilst maintaining the "horizontal link" between the various functions. Although the current arrangement applies the concept of "functional specialisation", a project-based approach is maintained for every phase of definition and release of products and services.

The horizontal links are guaranteed by the work of specific committees that monitor business lines and the progress of the most important projects, also to guarantee the necessary synergies of distribution channels.

The organisational model envisages the identification of corporate control functions, as follows: i) compliance with laws and regulations; ii) risk control; iii) internal audit and iv) further direction, support and/or control functions, including the Chief Financial Officer, Legal, Human Resources, Corporate Identity and the control function in respect of the network of financial advisors.

Furthermore, the organisational model identifies three further functional lines, which govern:

- the sales network (Network PFA & Private Banking Department), to monitor, manage and develop the network of financial advisors;
- the business (Global Business Department), to monitor the development of products and services offered to customers;

- the operational functioning (Global Banking Services Department), for the coordination of the organisational structures in charge of overseeing the organisational and operational processes, information systems and logistics, necessary to guarantee the effective and efficient operation of the business systems.

The synergies between the distribution channels and the monitoring of decision-making processes that cut across the departments are ensured by a Management Committee.

The following organisational structures report to the Chief Executive Officer and General Manager: the PFA Network & Private Banking Department, the Global Business Department, the Chief Financial Officer's Department, the Chief Risk Officer's Department, the Network Controls, the Monitoring and Services Department, the Legal & Corporate Affairs Department, the Global Banking Services Department, the Human Resources Unit, the Compliance Unit and the Identity & Communications Team.

The Internal Audit Function reports directly to the Board of Directors, which has a strategic supervisory function.

GROUP MANAGEMENT SYSTEM

FinecoBank, as the parent company, is responsible for maximising the long-term value of the FinecoBank Group as a whole, guaranteeing the unitary governance, direction and strategic control of the Group. FinecoBank has defined rules for the governance of the FinecoBank Group, in order to fully exercise its role in managing and coordinating the FinecoBank Group², and has outlined the FinecoBank Group's managerial and functional management system and set out the key processes between FinecoBank, as parent company, and its subsidiaries.

FinecoBank ensures the coordination of the FinecoBank Group's activities with a management system based on the concept of "competence lines", through the strong functional link between the structure of FinecoBank, as parent company, and the related organisational structures of the subsidiaries.

The "competence lines" are represented by the organisational structures (functions) operating between FinecoBank and its subsidiaries which have the objective of directing, coordinating and controlling the activities and risks of the FinecoBank Group as a whole and, through the organisational structures (functions) present locally, of the individual FinecoBank Group companies. The "competence lines" operate in the following areas: Investor Relations, Finance and Treasury, Planning and Control, Regulatory Supervision, Budget and Tax, Risk Management and Loans, Legal/Corporate Affairs, Compliance, Internal Audit, Human Resources, Identity & Communication, Organisation/Business Continuity & Crisis Management, Information & Communication Technology, Security, Purchasing.

With the aim of achieving a strong functional and managerial connection at group level, within the constraints set by applicable local laws and regulations, the managers of the "competence lines" have a direct role and, in compliance with the responsibilities of the corporate bodies of the FinecoBank Group, specific powers of

² In accordance with Article 61 of Legislative Decree no. 385 of 1 September 1993 (the Italian Banking Law) and the supervisory instructions issued by the Bank of Italy.

direction, support and control with reference to the corresponding functions of the FinecoBank Group companies (always in coordination with the top management of the respective companies), for the purpose of:

- defining budget objectives, policies, guidelines and models of competence, in agreement and after consultation with the heads of the business functions and top management of the FinecoBank Group companies;
- monitoring the implementation of policies and models of competence, through the examination of specific reports transmitted by the relevant departments of the FinecoBank Group companies;
- issuing non-binding opinions on the definition of the internal organisational structure of the relevant departments of the FinecoBank Group companies; and
- formulating recommendations and proposals for the appointment and career path and for the implementation of performance evaluation and short-term incentive systems of line managers, in agreement and after consultation with the top management of the FinecoBank Group companies and with FinecoBank's HR Manager. The recommendations and proposals must be addressed to the competent body of the FinecoBank Group companies and submitted for approval. If the line manager is the company's top manager, the recommendations are directly delegated to the assessment of FinecoBank's CEO, after gauging the opinion of the relevant heads of the "competence lines".

INFORMATION TECHNOLOGY

FinecoBank's information technology, or IT systems, allow its distribution network to be completely integrated with both its internal operating structure (including the administrative, financial, accounting, and regulatory functions) and the applications that its clients use to access its banking, brokerage, and investing services. FinecoBank's IT architecture is composed of various levels that are classified as: (i) access, (ii) the "front-end", which includes the graphic interface clients use and connection applications, and (iii) the "back-end", which comprises its operating systems. Each level has its own infrastructure, software and hardware.

The access level consists of all devices and systems that grant access to FinecoBank's services from outside networks, whereas the front-end level consists of the devices, systems, and applications that enable clients to use these services. The back-end level represents FinecoBank's central information system, which manages, among other things, banking and brokerage transactions, interconnections with payment and settlement systems, general accounting, management and supervisory reporting. This is also the level where all client transactions or transactions by other users (such as financial advisors or members of the contact center) are processed.

FinecoBank's IT systems are designed to ensure service continuity and maintain the same quality of service received by the end user in any situation, as well as high scalability with limited costs. FinecoBank's internal IT processes are fully automated. FinecoBank manages its entire technology infrastructure and software applications independently through its Information Communication and Technology Office (composed by 212 employees as of 31 December 2018). This eliminates the need to provide information to third parties, thereby ensuring maximum data security. The sole exception is represented by the data transmission systems that FinecoBank uses to connect to certain third-party systems (for example, the Italian Stock Exchange, the Chicago Mercantile Exchange, etc.) and certain software acquired from third parties, with respect to which some of the maintenance is entrusted to these third parties.

In order to guarantee security of its IT systems, FinecoBank employs a series of mechanisms (firewalls, intrusion detection and protection systems, and load balancers), profiling systems, internal policies and

procedures, and other measures, such as physical separation between the different networks and restricted access to its IT systems. In designing such security measures, FinecoBank continually seeks to balance the need for full accessibility (even during maintenance phases) to the front-end systems against the need to prevent unauthorised, or unmonitored access to data, or applications, by either internal personnel or persons outside FinecoBank.

FinecoBank internally designs, implements and maintains its own software applications, on which its client and financial advisor operating platforms are accessible. The operating platforms are fully integrated in FinecoBank's internal processes, and they are constantly being developed and updated to satisfy client needs.

The Issuer internally designs and develops its website. In particular, it has designed the interface and technology infrastructure and applications. FinecoBank is able to leverage on specific internal know-how in designing and defining interfaces, and in enhancing ease of use of the operating platforms. Website innovation is an ongoing process, in which FinecoBank also considers input from clients, to improve the service provided, optimise the interfaces and the accessibility, and generally improve ease of use of the various pages composing the website.

FinecoBank pays particular attention to the security of its online channel, investing significantly in maintaining the strength of this channel's security without complicating the access to the website for clients. Currently, client access to the restricted area of FinecoBank's website is secure, but does not burden the client with complex procedures. The access occurs as follows: (i) a first level user name and password; (ii) a PIN mechanism for confirming every transaction (a distinguishing element as opposed to traditional "key token" or "battleship" systems); (iii) a PIN that is sent by SMS to the client's mobile phone to confirm wire transfers and prepaid mobile phone charges. FinecoBank complements these security mechanisms with an SMS notification system that it has implemented and developed.

In order to provide its services and store data, the Issuer uses two data centers located off-site from its main premises that are fully equipped with the back—up structures to guarantee continuity of service for clients and other users. These data centers are completely independent of each other, and the supply of electricity to them is ensured by several systems that activate automatically in case the main electricity system fails. As required by applicable regulations, FinecoBank has adopted a model that comprises organisational units dedicated to managing "Business Continuity and Crises", both in normal operating conditions and in emergency situations. FinecoBank's "Business Continuity and Crisis Management" framework includes the management plan for emergency events and the business continuity plan. These plans are an integral part of the disaster recovery plan (which establishes the measures for the restoration of applications and information technology systems affected by disasters) and of the cyber attack plan (which sets out the strategies – for systemic processes – for handling large scale computer attacks). Managing cyber risk is key for FinecoBank considering its nature as a multichannel bank. FinecoBank uses a well-established, risk-based internal security process, made up by skilled people and advanced technology infrastructure. The objective of maintaining a high standard of safety is verified, on an ongoing basis, also through benchmarking with market fraud levels, both in banking and money market. In terms of customer protection, FinecoBank has in place clear policies, frameworks and governance which cover all its processes, from the design of products and services, to training, incentives, and client interaction. The Issuer ensures the compliance with data protection rules by adopting the principles prescribed by Italian legislation, implementing Directive 95/46/EC through a new "Global Policy on Privacy". In April 2016, the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **GDPR**) was approved by the EU Parliament. The new data protection regime entered into force on 25 May 2018 and became directly applicable in all Member States of the European Union without the need of implementing national legislation. As part of the Issuer's commitment to data protection, compliance risk assessment and second level controls aim to identify, monitor

and manage compliance risks in this regulatory area. With specific reference to the GDPR, FinecoBank's Compliance constantly monitored the regulatory updates and supported the various functions involved (mainly Organization, ICT, Security) in the process of adjusting to the new regulation through the gradual implementation of identified software solutions. The Data Protection Officer of FinecoBank prepared the "Data Protection Officer report of FinecoBank S.p.A. - Year 2018 ", which was submitted to the Board of Directors on 5 March 2019, after having been examined by the Risk and Related Party Committee, and to the Board of Statutory Auditors; the purpose of the report is to summarize the results of the activities carried out and the initiatives undertaken to protect the personal data processed and manage any potential risk of breach, the ascertained malfunctions and the relative corrective actions taken, as well as the training of staff, in compliance with the requirements of the GDPR. The Issuer has also adopted a formal and comprehensive "Security Incident Response Plan", articulated on several levels: governance, organisation, operation and reporting.

There are essentially six elements to FinecoBank's information system:

- banking application software;
- on-line trading system (dedicated applications for the real-time sale/purchase of securities and financial instruments on the main European and American markets);
- a management system for the operations room and for institutional investors, and access to the information/order sections of Italian/foreign markets;
- a management system for investment services such as Funds, SICAVs and Bank Insurance;
- a credit and debit card management system, with the issue of cards for VISA and MasterCard circuits; and
- a personal financial advisors network management system, enabling advisors to work with all of FinecoBank's products through a single portal.

In 2018, the Information and Communications Technology structure carried out its usual activities for technological renewal, consolidation and development of the information system in order to provide new and more versatile added value services to customers. The main project activities completed include:

- offer of the new financial advice service "Plus" and of the new product "Private Insurance";
- offer of new trading products: CFD with underlying Commodities, Daily Options, CBOE Options, Lending super Intraday and new CFD with underlying shares listed on German, French and Italian markets;
- availability of professional trading platform "PowerDesk" to customers on the English market;
- enrichment of mortgages offers with new assumption "Refinancing" and the new product "Mutuo Fineco Remix";
- activation of the voice authentication system for retail customers;
- offer of the new mobile payment platform Apple Pay; and

- enrichment of the mobile apps with new services: “Plus”, “Logos Day”, “Extracash Instant Approval”, “Instant Payment”.

RESEARCH AND DEVELOPMENT

FinecoBank’s research and development activities are shaped by its business model. To promote technical solutions in line with FinecoBank’s mission, research and development is focused on developing software that enables the provision of increasingly innovative financial advice together with exclusive own-account trading.

The Issuer focuses particular attention on development and innovation of its IT systems, both hardware and software, as these are key elements to maintain a leading position in the market for online financial services. The Issuer invests heavily in research and development, particularly for IT and design interfaces, in order to ensure excellence of its proprietary operating platforms, which represent a key success factor in the market in which it operates. FinecoBank’s research and development investment also focuses on all components of its website and the other channels of its distribution network. The amounts invested for these purposes were equal to €9,726 thousand in 2017 and €10,723 thousand in 2018.

More specifically, the main software applications that have been developed over the years are:

- “Advice”: a computer program through which the Bank enables its personal financial advisors to offer a professional advisory service to customers who want a personalised financial plan;
- “Internaliser”: a computer program through which FinecoBank executes customer orders in its own account relating to trading on financial markets as an alternative counterparty to the market; and
- “Powerdesk and Webtrading”: a software that allows FinecoBank to offer customers sophisticated and efficient tools for online trading on the main international financial markets and simple solutions to complement the direct banking services.

Lastly, in 2018, activities for the development of the X-Net platform (used by personal financial advisors) have been consolidated through the implementation of information and reporting services.

PROPERTY

The Issuer leases most of the property it uses in its business throughout Italy, including its headquarters located at Via Rivoluzione d’Ottobre 16, Reggio Emilia. The Issuer also has a disaster recovery site located in Milan and two data centers, one of which is located in Milan and the other is located in the Milan suburb of Pero.

On 31 January 2019, FinecoBank acquired from Immobiliare Stampa S.C.p.A. (part of the Banca Popolare di Vicenza Group) the bank’s registered office in Piazza Durante 11, Milan. The building, part of which was leased up until that date, is used as office space. The transaction was completed at a price of €62 million, and the property is accounted on the financial statements also considering taxes and initial direct costs.

INTELLECTUAL PROPERTY AND LICENSING

The Issuer is the owner of the Fineco trademarks—including the Italian figurative trademark “Fineco The New Bank” (No. 0001302953), the Italian word trademark “Fineco” (No. 0001258931) in classes 35, 36 and 45, the Italian word trademark “Fineco” (No. 0001312043) in classes 09, 16, 35, 36, 38, 41 and 42, the Italian figurative trademark “Fineco” (No. 0001631072) and the Italian figurative trademark “Fineco Bank” (No. 302016000030943), which it uses in its operations. Such trademarks also include the names Fineco,

FinecoOnline, Fin-Eco. The Issuer also owns the trademarks MoneyMap, PowerBoard, PowerBook, PowerChart and PowerDesk. All of its primary trademarks are registered in Italy and many of them are registered in other countries and internationally.

The Issuer has registered and owns the rights to the domain names for its primary websites (www.fineco.it and mobile.fineco.it) and several other domain names that use derivatives of the Fineco name under the Italy-specific “.it” top-level domain name, such as www.finecobanca.it and www.finecobank.it. The Issuer has also registered a number of its product names under the “.it” top-level domain name, including www.logostrader.it and www.cashpark.it. In addition, it has registered the domain name “finecobank” under 32 country-specific and other top-level domain names, for example, www.finecobank.de, www.finecobank.co.uk and www.finecobank.info, as well as registering other derivatives of its brand and product names. It does not, however, own the rights to several domain names that use the Fineco name, such as www.fineco.com, and this may lead to confusion with clients or other users that seek to access the Issuer’s services. See “*Risk Factors—FinecoBank may not be able to adequately protect its intellectual property rights in foreign markets.*”

MATERIAL CONTRACTS

As part of FinecoBank’s exit from the UniCredit Group, with a view to continuity and in the interests of the shareholders of both banks, FinecoBank and UniCredit entered into the following agreements:

Pledge Agreement

A pledge agreement dated 21 January 2020 was entered into between UniCredit as pledgor and FinecoBank as pledgee (the **Pledge Agreement**) for the provision by UniCredit of collateral in favour of FinecoBank to mitigate, for regulatory capital and large exposure purposes in accordance with Regulation (EU) no. 575/2013, certain exposures of FinecoBank *vis-à-vis* UniCredit.

In particular, the Pledge Agreement is aimed at mitigating the exposure of FinecoBank *vis-à-vis* UniCredit deriving from: i) the subscription of certain bonds issued by UniCredit, which will run off in 2024; and ii) the issue of certain financial guarantees (*fideiussioni*) by FinecoBank in favour of UniCredit.

Pursuant to the Pledge Agreement, UniCredit has granted in favour of FinecoBank a pledge under Belgian law over financial collateral as set out in the Pledge Agreement.

The Pledge Agreement contains provisions relating to the integration of the guarantee and substitution of the pledged collateral, which are aimed at enabling FinecoBank to comply with provisions related to capital absorption and large exposures under the CRD IV Regulation and other regulations applicable from time to time.

UniCredit has the right, at any time following a period ending 365 days after the occurrence of a change of control event (as described in the Pledge Agreement) and following consultation with the relevant supervisory authority (with the participation of FinecoBank), to the release of the pledge in the event of a change of control of FinecoBank (as determined under the Pledge Agreement).

Master Service Agreement

A Master Service Agreement was entered into on 7 May 2019 between FinecoBank and UniCredit (the **MSA**), aimed at allowing FinecoBank to continue operating for the period of time necessary until it is able to autonomously carry out those activities and services previously provided by companies of the UniCredit Group. In particular, pursuant to the MSA, UniCredit has undertaken to: i) continue to provide certain

administration and back-office activities and services, as well as other ancillary services required for the performance of FinecoBank's activities; ii) continue to provide for a certain amount of time the services and activities envisaged by existing contracts between FinecoBank and UniCredit, on the same conditions, except for the contracts relating to operations at ATMs and branches and payment systems of the UniCredit Group which have been renegotiated to extend their duration; and iii) do everything within its power to support FinecoBank *vis-a-vis* third parties outside the UniCredit Group to ensure that contracts in place between such third parties and FinecoBank (including where the contracts were entered into by the UniCredit Group on behalf of FinecoBank) continue without interruption. The duration for which the activities and services have continued to be provided differs depending on the type of activity or service and, UniCredit has a right to terminate such activities and services on a change of control of FinecoBank, as set out in the MSA. In any case, FinecoBank completed an insourcing process at the end of June 2021. In particular, the MSA includes an ATM agreement, pursuant to which FinecoBank's clients will continue to be able to access the entire Italian UniCredit network of branches and ATMs for the purposes of carrying out certain banking transactions.

The ATM Agreement will be valid until 31 May 2029, upon which (unless FinecoBank terminates the agreement) it will be automatically renewed for a further 10 years until 31 May 2039, after which both FinecoBank and UniCredit will be entitled to terminate the ATM agreement upon 12 months prior notice. UniCredit also has the right to terminate the ATM Agreement before 31 May 2039 in the event of a change of control of FinecoBank, upon 12 months prior written notice (as determined under the MSA).

Except for the above contracts and for those entered into in the ordinary course of its business, FinecoBank has not entered into any material contracts which could materially prejudice its ability to meet its obligations under the Notes.

PRINCIPAL SHAREHOLDERS

As at the date of these Listing Particulars, the fully subscribed and paid up share capital of FinecoBank amounted to €201,266,924.10, divided into 609,899,770 ordinary shares with a nominal value of €0.33. As at the date of these Listing Particulars, on the basis of the information available to the Issuer at the date of these Listing Particulars, the principal shareholders of FinecoBank were:

PRINCIPAL SHAREHOLDERS	% OWNED
BlackRock Inc.	9.287%
Capital Research and Management Company	5.0450%
FMR LLC.	3.377%

INTERNAL CONTROL SYSTEM

FinecoBank's internal control system seeks to ensure sound and prudent management of its business activities, with the purpose of achieving its targets, monitoring business risks and operating in compliance with applicable laws.

FinecoBank's internal control system comprises rules, procedures and organisational structures that involve all company levels, established to achieve the objectives of effective, efficient company processes (administration, production, distribution processes etc.), safeguarding the value of assets and protecting against losses, ensuring the reliability and integrity of accounting and operating information, the compliance of operations with applicable laws, as well as with policies, plans, regulations and internal procedures, and the consistency of organisational monitoring of developments of company strategies and changes in the reference context.

Circular no. 285 of 17 December 2013, as amended, defines the principles and guidelines to which the internal control system of banks must conform. The circular defines the general principles of the organisation, identifies the role and responsibilities of governing bodies, and sets out the characteristics and roles of corporate control functions. The internal control system must provide protective measures that cover all types of business risk. The primary responsibility for these tasks lies with the bank's bodies, each in accordance with its specific duties. The structure of tasks and lines of responsibility of corporate functions and bodies must be clearly specified. Banks must apply the provisions according to the proportionality principle, i.e. taking into account the operating scale and organisational complexity, the nature of the activities carried out, and the type of services provided. As part of the supervisory review and evaluation process, the European Central bank or the Bank of Italy verify the internal control system in terms of completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of banks.

In accordance with the provisions laid down by the Supervisory Authority, FinecoBank's internal control system consists of a set of rules, functions, organisational structures, resources, processes and procedures aimed at ensuring the achievement of the following objectives, in compliance with the principles of sound and prudent management:

- verifying the implementation of FinecoBank's strategies and policies;
- containing risk within the limits set out in FinecoBank's Risk Appetite Framework;
- preventing FinecoBank's involvement, even if unintentional, in unlawful activities (with specific reference to money laundering, usury and the financing of terrorism);
- protecting the value of assets and preventing losses;
- ensuring the effectiveness and efficiency of corporate processes;
- ensuring the security and reliability of FinecoBank's information and ICT procedures; and
- ensuring compliance of transactions with the law and supervisory regulations, as well as internal policies, procedures and regulations issued by FinecoBank.

In terms of the methods applied, FinecoBank's internal control system is based on four types of controls:

- level one controls ("line controls"): these are controls for individual activities and are carried out according to specific operational procedures based on a specific internal regulation. Monitoring and continuously updating these processes is entrusted to "process supervisors" who are charged with devising controls able to ensure the proper performance of daily activities by the staff concerned, as well as the observance of any delegated powers. The processes subject to control relate to units that have contact with customers, as well as completely internal bank units;
- level two controls: these are controls related to daily operations connected with the process to measure quantifiable risks and are carried out by units other than operating units, on an ongoing basis. The Risk Management function controls market, credit and operational risks, as regards compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/return objectives; the Compliance unit is responsible for controls on non-compliance risks; for regulatory areas which already have types of control performed by the bank's specialised structures, monitoring of compliance risk is assigned to these structures based on the "Indirect Coverage" operating model;
- level three controls: these controls are based on analysis of information obtained from databases or company reports, as well as on-site controls. The purpose of these controls is identifying violations of procedures and regulations as well as periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and information

system (ICT audit), on a regular basis, in relation to the nature and intensity of the risks. These controls are assigned to the Internal Audit function; and

- institutional supervisory controls: these refer to controls by the bank's bodies, including in particular the Board of Statutory Auditors and the Supervisory Body pursuant to Legislative Decree no. 231 of 8 June 2001.

Considering the functions and units involved, the Internal Control System is based on:

- control bodies and functions including, according to their respective responsibilities, the Board of Directors, the Risk and Related Parties Committee, the Remuneration Committee, the Appointments and Sustainability Committee, the Chief Executive Officer and General Manager, the Board of Statutory Auditors, the Supervisory Body set up pursuant to Legislative Decree 231/01 and the corporate control functions (Risk Management, Compliance, Internal Audit) as well as other company functions with specific internal control duties;
- procedures for the coordination of entities involved in the internal control and risk management system, which provide for:
 - cooperation and coordination among control functions, through specific information flows that are formalised in internal regulations and through managerial committees dedicated to control issues;
 - application of the Group coordination model defined as part of the management and coordination activity carried out by FinecoBank; and
 - definition of information flows between corporate bodies and control functions within FinecoBank.

In July 2017, FinecoBank was admitted to the Italian Revenue Agency's Cooperative Compliance Scheme pursuant to articles 3-7 of Legislative Decree 128/2015, which allows FinecoBank to take part in a register of taxpayers (published on the Italian Revenue Agency's official website) operating in full transparency with the Italian tax authorities. This is a fundamental milestone to keep FinecoBank's tax risk control system constantly shared with the tax administration in order to monitor its effectiveness and adequacy. Indeed, since 2017, FinecoBank has formalised - by resolution of its Board of Directors - the tax strategy with the guidelines and principles adopted in the management of tax issues in accordance with the OECD's recommendations.

ENVIRONMENTAL RISKS

The FinecoBank Group is sensitive to issues related to climate change and is committed to monitoring and assessing the effects of climate change on its credit and asset management activities. FinecoBank management is of the view that Finecobank has a moderate environmental impact, and a limited exposure to climate change risks, bearing in mind the Group's business model and principal activities. Finecobank's investment policy is based on granting credit to retail customers and investing mainly in government bonds. Granting credit to large, small and medium-sized enterprises or financing corporate projects or plants is not part of the FinecoBank Group's policy. The limited exposure to firms preserves the FinecoBank Group both from the risk of causing impacts on the environment through financing counterparties associated with a high environmental risk (such as industries in the energy sector) and from the risk of indirectly being affected by any possible environmental events damaging its clients. The high diversification of FinecoBank's commercial portfolio (both in individual and territorial terms) protects the Group from the possible deterioration of the solvency of its clients due to environmental factors, such as atmospheric events or natural disasters. The environmental impact of the FinecoBank Group is therefore mainly attributable to the direct consumption of resources at its operating offices and the offices of its financial advisors. The FinecoBank Group promotes

initiatives aimed at reducing the consumption of resources at its operating offices, as further detailed in FinecoBank Group's Consolidated Non-financial Statements as of 31 December 2020.

Starting from 2021, Finecobank's Risk Assessment Framework introduces ESG items which are aimed at complying with the recent ECB guidelines on climate and environmental risks, both in relation to strategy as well as the monitoring and measurement of such risks through dedicated indicators. Further to an analysis of FinecoBank's business model, exposures and risk factors, FinecoBank's risk management function has identified the deterioration of real estate collateral covering mortgages as a potential environmental impact risk area in the medium to long term. FinecoBank's new risk performance indicators are therefore intended to monitor the concentration and quality of real estate guarantees in highly seismic and/or hydrogeological areas, and ESG investment objectives in FinecoBank's Banking Book.

In addition, as part of the implementation of FinecoBank's Environmental Management System (compliant with the requirements of Regulation (EC) No 1221/2009 (the EMAS Regulation)), during the first half of 2021 FinecoBank concluded its initial environmental analysis, allowing FinecoBank to map the needs and expectations of stakeholders in the environmental field and to detect and classify environmental-related risks for FinecoBank bearing in mind FinecoBank's activities. FinecoBank's initial analysis identified the following as being the most important stakeholder expectations with respect to environmental matters: (i) compliance with applicable legislation and with the principles and rules of conduct enshrined in the Code of Ethics and the Organization and Management Model pursuant to Legislative Decree 231/2001 (including environmental protection), (ii) the strengthening of FinecoBank's ability to measure its environmental performance, to report on its environmental performance and to set targets for improvement, (iii) the satisfaction of requests from clients who are more attentive to ESG issues, (iv) the awareness of human capital in the environmental field and (v) the need to ensure an open dialogue with stakeholders. Risks and opportunities deriving from these stakeholder expectations are mainly of a reputational, strategic and compliance nature, and are managed by FinecoBank through the activation of specific activities aimed at mitigation, such as, for example, the execution of internal audits on environmental legislative compliance, the drafting and subsequent publication of the Environmental Declaration in accordance with the EMAS Regulation and the intensification of information exchange with, and training for, FinecoBank's main stakeholders in the environmental field.

CORPORATE GOVERNANCE

The corporate governance system adopted by FinecoBank is designed to promote a clear and responsible development of banking operations, contributing in the creation of long-term sustainable value. In particular, it is based on the principles recognised by international best practice as fundamental for good governance: the central role of the Board of Directors, the correct management of conflict of interests, the efficiency of the internal control system and the transparency towards the market, with particular reference to the communication of corporate management choices.

The overall framework of FinecoBank's corporate governance has been defined in accordance with existing provisions of laws and regulations, taking into account, also, the recommendations included in the code of self-regulation for listed companies promoted by Borsa Italiana S.p.A. (the **Code of Self-Regulation**).

In this context, FinecoBank adopts the so-called traditional governance system, based on the presence of two bodies appointed by the shareholders' meeting: the Board of Directors, with functions of strategic supervision and management company, and the Statutory Auditors, with control functions. The statutory audit is entrusted to an external auditing firm, in accordance with applicable legislation.

In order to foster an efficient system of information and advisory which allows the Board of Directors to better assess certain matters within its competence, in conformity with the supervisory provisions issued by Banca

d'Italia and the recommendations of the Code of Self-Regulation, there are four committees with proactive, advisory and coordination functions:

- Remuneration Committee
- Appointments Committee
- Risk and Related Parties Committee
- Corporate Governance and Environmental and Social Sustainability Committee

MANAGEMENT

Board of Directors

FinecoBank's Board of Directors consists of 11 members³, including the Chairman and Chief Executive Officer. It was appointed by the ordinary Shareholders' Meeting of FinecoBank held on 28 April 2020 and will remain in office until the next Shareholders' Meeting called to approve the annual financial statements for the year ending 31 December 2022⁴.

The composition of the Board in office is quantitatively and qualitatively consistent with the theoretical profile approved by the Board of Directors, including with regard to the limits on the number of offices held. In addition, the Board of Directors meets the requirements of integrity, experience and independence (including suitability) set forth in the Issuer's articles of association and current regulations.

In addition to the powers afforded under the Issuer's articles of association, FinecoBank's Board of Directors is tasked with setting the strategic policies and the guidelines for the organisational and operational structures, overseeing and monitoring their timely execution within the assigned risk profiles. The Board of Directors is responsible for establishing and approving the methods through which risks are detected and assessed and for approving the risk management strategic direction and policies. The Board of Directors also verifies that the internal control structure is consistent with the risk tolerance established and approves policies for the management of risks.

The Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all of the Issuer's areas of activity. The Chief Executive Officer and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

The following table sets forth the current members of FinecoBank's Board of Directors.

³ On 9 February 2021, Andrea Zappia, non-executive Director of Fineco Bank, resigned with effect from 1 March 2021 due to professional commitments. The Shareholders' Meeting of Fineco Bank of 28 April 2021 appointed Alessandra Pasini as member of the Board of Directors.

⁴ The members of the Board of Directors (and of the Board of Statutory Auditors) are appointed by the Shareholders' Meeting according to the list voting mechanism. This voting system, which uses lists of competing candidates, ensures that representatives of minority shareholders are appointed.

Name	Position
Marco Mangiagalli	Chairman
Francesco Saita	Vice Chairman
Alessandro Foti	Chief Executive Officer and General Manager
Alessandra Pasini	Director
Elena Biffi	Director
Giancarla Branda	Director
Gianmarco Montanari	Director
Maria Alessandra Zunino De Pignier	Director
Marin Gueorguiev	Director
Paola Giannotti De Ponti	Director
Patrizia Albano	Director

The business address for each of the above Directors is Piazza Durante 11, Milan 20131, Italy.

Other principal activities performed by the above members of the Board of Directors which are significant with respect to FinecoBank are listed below:

Marco Mangiagalli

- non-executive chairman of E.I. Towers S.p.A.

Francesco Saita

- member of the board of directors of Aessedomus S.r.l.
- professor of the Department of Finance (*Dipartimento di Finanza*) at the Bocconi University of Milan
- member of the committee (*Comitato di Redazione*) of the Research Division of CONSOB and of other relevant scientific committees

Alessandro Foti

- member of the board of directors of ASSORETI (*Associazione delle Società per la Consulenza agli Investimenti*) and of the Bocconi University of Milan

Alessandra Pasini

- chief financial officer of Snam S.p.A.

Elena Biffi

- member of the board of directors of Arnoldo Mondadori Editore S.p.A.
- commissioner liquidator (*commissario liquidatore*) of La Concordia S.p.A in administrative compulsory winding up (*liquidazione coatta amministrativa*)
- member of the board of directors of REVO S.p.A.

Giancarla Branda

- statutory Auditor of Saras S.p.A., ACI Progei S.p.A. and ACI Consult S.p.A. in winding up;
- member of the board of directors of Garofalo Health Care S.p.A.
- lawyer at Salvini e Associati Law Firm

Gianmarco Montanari

- general director of the “*Istituto Italiano di Tecnologia*”
- member of the board of directors of Tinexta S.p.A.
- member of the board of directors of the University of Turin and of “*Istituti riuniti salotto e fiorito – scuole paritarie*”
- member of the board of directors of Reale ITES S.r.l. and Reale ITES ESP sl

Maria Alessandra Zunino De Pignier

- member of the board of directors of AIAF Formazione e Cultura s.r.l.
- Statutory auditor of Sabaf S.p.A.
- consultant of Alezio.net Consulting s.r.l.

Marin Gueorguiev

- risk management and control system consultant

Paola Giannotti De Ponti

- non-executive director of TIM S.p.A.
- non-executive director of Terna S.p.A.

Patrizia Albano

- member of the board of directors of Piaggio & C S.p.A.
- standing member of the board of statutory auditors of Artemide Group S.p.A. and Artemide S.p.A.
- chairman of the board of statutory auditors of Artemide Italia S.r.l.
- founding partner of RAM Avvocati Law Firm

Senior Management

The following table sets out the name, title and principal activities outside FinecoBank of each of the senior managers of FinecoBank:

Name	Title	Other principal activities performed by the Senior Managers which are significant with respect to FinecoBank
Alessandro Foti	Chief Executive Officer and General Manager	Please see Management – Board of Directors
Lorena Pellicciari	Chief Financial Officer and <i>Dirigente Preposto</i> (Manager charged with preparing the company financial reports)	member of the board of directors of Fondo Interbancario di Tutela dei Depositi member of the board of directors of Pri.Banks
Paolo Di Grazia	Deputy General Manager and Head of Global Business	Vice President Assosim (<i>Associazione Italiana Intermediari Mobiliari</i>) member of the board of directors of HI-MTF SIM S.p.A.
Fabio Milanesi	Deputy General Manager and Head of Global Banking Services	-
Mauro Albanese	Deputy General Manager and Head of Network PFA & Private Banking	member of the board of directors of AIPB (Italian association of private bankers)

The business address for each of the above members of FinecoBank's senior management is Piazza Durante 11, Milan 20131, Italy.

Board of Statutory Auditors

The Board of Statutory Auditors, without prejudice to any other or more specific duty and power assigned to it by primary and secondary laws and regulations in force, monitors compliance with laws, regulations and the bylaws (*statuto*), as well as the proper administration and adequacy of organisational and accounting arrangements of the Issuer, of the risk management and control system, as well as the functioning of the overall internal control system. The Board of Statutory Auditors meets the requirements of integrity, experience and independence (including suitability) set forth in the current regulations.

The Board of Statutory Auditors, in carrying out its duties, works with the Internal Audit function and Risk and Related Parties Committee, on the basis of a continuous dialogue and the proactive exchange of information. The Board Statutory of Auditors also works with the Issuer's external auditors, the Compliance Manager and the Anti-Money Laundering Function Manager.

The current Board of Statutory Auditors was appointed by FinecoBank's Shareholders' Meeting of 28 April 2020 and 28 April 2021⁵ and will remain in office until the next Shareholders' Meeting called to approve the annual financial statements for the year ending 31 December 2022.

The following table sets out the current members of FinecoBank's Board of Statutory Auditors:

Name	Position
Luisa Marina Pasotti	Chairman
Giacomo Ramenghi	Standing Auditor
Massimo Gatto	Standing Auditor
Lucia Montecamozzo	Alternate Auditor
Alessandro Gaetano	Alternate Auditor

All of the members of the Board of Statutory Auditors in office are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the above members of the Board of Statutory Auditors is Piazza Durante 11, Milan 20131, Italy.

Other principal activities performed by the Statutory Auditors of FinecoBank which are significant for FinecoBank are listed below:

Luisa Marina Pasotti

- standing auditor of Marelli e Pozzi S.p.A. and MGM Lines S.r.l.
- chartered accountant of Studio Associato Pasotti

Giacomo Ramenghi

⁵ The Shareholders' Meeting of April 28, 2020 appointed the Board of Statutory Auditors (comprising three Statutory Auditors and two Stand-In Auditors) for the 2020-2022 period in the persons of Elena Spagnol, Massimo Gatto and Chiara Orlandini, as Statutory Auditors, and Luisa Marina Pasotti and Giacomo Ramenghi, as Stand-In Auditors. On September 16, 2020, Ms. Elena Spagnol resigned from her position as Chairman of the Board of Statutory Auditors of the Bank, with effect from October 1, 2020, and in compliance with laws and the Articles of Association, the Stand-in Auditor Ms. Luisa Marina Pasotti, also from the list submitted by several asset management companies and institutional investors, took over the position of Statutory Auditor with effect from October 1, 2020, as Statutory Auditor and Chairman of the Board of Statutory Auditors. In addition, on September 5, 2020, Ms. Chiara Orlandini resigned from her position as Statutory Auditor of the Bank, with effect from October 12, 2020, and in compliance with laws and the Articles of Association, the Stand-in Auditor Mr. Giacomo Ramenghi, also from the list submitted by several asset management companies and institutional investors, took over the position of Statutory Auditor. The Shareholders' Meeting of April 28, 2021, then confirmed Ms. Luisa Marina Pasotti as Chairman of the Board of Statutory Auditor and Mr. Giacomo Ramenghi as Standing Auditor; furthermore the Shareholders' Meeting appointed Ms. Lucia Montecamozzo and Mr. Alessandro Gaetano as Alternate Auditor.

- standing auditor of Prometeia S.p.A., Prometeia Advisor SIM S.p.A., Manutencoop Soc. Coop., Rekeep S.p.A., Servizi Ospedalieri S.p.A., and Annovi Reverberi S.p.A.
- chartered accountant of Studio Gnudi e Associati

Massimo Gatto

- standing auditor of MARR S.p.A. and CIV S.p.A.
- chartered accountant of Studio Gatto

Lucia Montecamozzo

- partner of Studio Legale Tributario Fantozzi & Associati

Alessandro Gaetano

- full professor in Business Economics at “Tor Vergata” University (Rome)

EMPLOYEES

The following table breaks down the Issuer’s employees by employment category as of 31 December 2020 and 30 June 2021.

Employees	31 December 2020	30 June 2021
Executives	28	30
Managers	404	405
Professional Areas	794	807
Total	1,226	1,242
Agency and temporary workers and interns	0	0
Employees FAM	36	38

As at 30 June 2021, FinecoBank’s employees totaled 1,242 up compared to 1,226 as at 31 December 2020.

During the first half of 2021, activity continued normally despite the Covid emergency, as all employees could work remotely. In addition, in order to deal with the health emergency, initiatives aimed at facilitating and improving the working and personal life of employees continued. These initiatives, in continuity with what was done in 2020, concerned several areas: health, home working, office work and other useful initiatives.

Timeliness of intervention and constant monitoring of the evolution of the pandemic situation were the keywords that characterized the FinecoBank's approach in all processes dedicated to human resources.

In addition, hiring activities aimed at strengthening and optimising the areas dedicated to business development, organizational and technological support and risk control and management continued in "remote" mode.

The Issuer provides its employees certain insurance benefits required by applicable laws and the National Collective Bargaining Agreement for Credit Institutions (CCNL), where applicable.

As of 31 December 2020, FinecoBank had accrued €4.92 million in provisions for severance indemnities. During the year ended 31 December 2020, the amount set aside for the INPS fund (Italian social security fund) was equal to €787,786, while the amount set aside for the Complementary Pension Funds was equal to €2,589,622.

Credit institutions may, upon meeting certain requirements, have access to the "Fund for Income, Employment and Professional Re-qualification Fund for Credit Institutions Employees". With respect to the years ended on 31 December 2019 and 31 December 2020 and up to the date of these Listing Particulars, FinecoBank accessed this fund for only a few employees, and always bore the relevant costs in the context of the reorganisation process involving the UniCredit Group.

SIGNIFICANT TRANSACTIONS AND RECENT DEVELOPMENTS

The context following the COVID-19 pandemic

Despite the COVID-19 pandemic continuing, during the first half 2021 the economy continued its gradual recovery, although not homogeneously in individual countries. Nevertheless, the economic outlook remains uncertain. The speed of the vaccination rollout and the efficiency of social distancing measures are set to play a key role, also considering the spread of more aggressive variants. Nevertheless, governments and central banks are showing great willingness to continue to support the real economy and the markets.

In 2020, the Italian Government (as did other European governments) adopted extraordinary measures which have remain in place to date, aimed at keeping unemployment low and supporting the most vulnerable sectors. In coordination with these measures, the government has acted to secure business bank loans and has extended the solidarity fund for first-home mortgages (known as the *Gasparrini Fund*) to employees, self-employed workers and freelancers, subject to the development of COVID-19 restrictions. The programme enables beneficiaries to temporarily suspend their mortgage repayments and to obtain a 50% cut in the compensatory interest accrued on their outstanding debt during the period of the suspension.

The European Central Bank also intervened during 2020 by adopting an extraordinary monetary package to underpin the Eurozone's real economy. During the first half of 2021, the Governing Council renewed its very accommodative monetary policy stance

The authorities are currently focusing on the need to contain any financial shock and the consequent pro-cyclical effects that may be seen when the measures to support the real economy come to an end, with businesses facing possible liquidity crises that until then have been mitigated by the extensive support measures such as moratoria and government guarantees. In this context, the monitoring and management of credit risk continue to be the main focus of attention with regard both to the classification of credit exposures and to their consequent assessment. This is in line with the guidance and instructions provided by the international authorities on several occasions throughout 2020, which stressed the importance of credit

institutions paying close attention to the management of credit risk during this delicate phase in order to promptly identify all possible signs of impairment of exposures.

Finally, notice should be drawn to the Recommendation adopted by the European Central Bank on 15 December 2020 (Recommendation ECB/2020/62, published in the Official Journal of the European Union on 18 December 2020, repealing Recommendation ECB/2020/35) concerning the dividend distribution and share buy-back policies that should be adopted by credit institutions and supervised groups in an economic environment marked by the COVID-19 crisis. Among other things, this Recommendation highlighted the importance of maintaining a prudent approach to dividend distributions and share buy-back operations aimed at remunerating shareholders. In a press release of 16 December 2020, the Bank of Italy followed the approach taken by the European Central Bank's towards significant banks by issuing its own decision to maintain an extremely prudent approach in order to safeguard banks' capacity to absorb losses and lend to support the economy. In particular, the Bank of Italy recommended that, until 30 September 2021, less significant Italian banks should (i) refrain from allocating or paying dividends, or limit their amount to no more than 15% of the cumulated profit for 2019-20 and not higher than 20 basis points of the CET1 ratio (whichever is lower); (ii) refrain from allocating or paying provisional dividends on 2021 profits; and (iii) exercise extreme prudence on variable remuneration.

Taking into account the Recommendations of the European Central Bank and the Bank of Italy, issued on 15 December 2020 and 18 December 2020 respectively, relating to dividend policy in the context following the COVID-19 pandemic, FinecoBank's Board of Directors, which met on 9 February 2021, resolved to propose to the Shareholders' Meeting the allocation of the entire 2020 profit to reserves, a proposal approved by the Shareholders' Meeting on 28 April 2021.

On 23 July 2021, the European Central Bank decided not to extend beyond September 2021 its recommendation to all banks to limit dividends. Instead, supervisors will resume assessing each bank's capital and dividend plans as part of the regular supervisory process.

The European Central Bank reported that the latest macroeconomic projections confirm the recovery of the economy and signal less uncertainty, which improves the reliability of banks' capital trajectory. Supervisors have reviewed banks' credit risk management practices during the pandemic and therefore consider it appropriate to reinstate the previous prudential practice of discussing the evolution of the capital profile and plans for dividend distributions or share buybacks with each bank in the context of the usual supervisory cycle. However, banks should continue to be prudent in their decisions on dividends and share buybacks, carefully considering the sustainability of their business model. In addition, they should not underestimate the risk that additional losses may later affect the evolution of their capital profile when the support measures expire.

The European Central Bank clarified that the recommendation on dividends remains applicable until 30 September 2021; therefore, the next decisions on dividend payouts should be taken in the fourth quarter of 2021. It also asked banks to adopt a prudent and forward-looking approach to decisions on remuneration policies. In the context of the supervisory review process, the European Central Bank will continue to assess banks' remuneration policies and the potential impact on their ability to maintain a sound capital base.

In this context, on 27 July 2021 the Bank of Italy also published a new recommendation on dividend distribution and variable remuneration policies of banks, which repeals the Recommendation of 16 December 2020. In line with the decision taken by the European Central Bank, considering that the latest macroeconomic projections show signs of improvement in the economy, Bank of Italy will return to adopting the criteria for capital assessment and dividend distribution and share repurchase plans by banks as part of the ordinary SREP

process. However, less significant banks will need to maintain a prudent approach when deciding on distribution and share repurchase policies, carefully considering the sustainability of their business model. They should also not underestimate the risk that, as the support measures introduced in response to the Covid-19 pandemic expire, further losses may impact their capital trajectories. Bank of Italy also recommends that less significant banks continue to adopt a prudent and forward-looking approach to remuneration policies. These will be assessed as part of the SREP process and the impact that such policies may have on the ability to maintain a sound capital base will be taken into account.

Finally, the Bank of Italy has clarified that the previous Recommendation on dividends and remuneration policies remains in force until 30 September 2021: with reference to dividends, the next decisions will therefore have to be taken in the fourth quarter of 2021.

Without prejudice to the ongoing dialogue with the Bank of Italy, taking into account the shareholders' equity resulting from the financial statements for the year ended 31 December 2020, the sustainability of the business model and the regulatory constraints to which FinecoBank is subject, also in its capacity as Parent Company of the FinecoBank Group, the Board of Directors of 3 August 2021 resolved to propose to the Shareholders' Meeting the distribution of a unit dividend of Euro 0.53 for each of the 609,899,770 shares, to be distributed to the Shareholders holding ordinary shares entitled to payment on the scheduled dividend date, for a total amount of €323,246,878.10, drawn from available revenue reserves.

That said, there were no further significant actions by regulators or standard setters during the first half of 2021 as compared to those rolled out during 2020, the guidance for which remains valid.

Risks, uncertainties and impacts of the COVID-19 pandemic

Despite this context of uncertainty and difficult forecasting, the FinecoBank Group's business model is diversified and well-balanced: the FinecoBank Group's diverse sources of revenue allow it to face complex stressors like this crisis. The FinecoBank Group's revenues are based on three main components (banking, brokerage, and investing) whose performance tends to be uncorrelated during periods of crisis.

The FinecoBank Group's financial investments, mostly comprising government securities, are held by the parent Company as long-term investments and are recognised in the Held to Collect portfolio, hence their measurement at fair value does not affect the consolidated income statement, the consolidated shareholders' equity or the consolidated own funds even in the absence of transitional provisions to sterilize its effect. With regard to the financial instruments in the trading portfolio, the FinecoBank Group tends not to take risk positions; the positions in the FinecoBank Group's own portfolio consist mainly of equity instruments, debt securities and over the counter derivatives (mainly represented by CFDs and Knock Out Options) traded with customers, as well as financial instruments used for the operational hedging of positions open with customers.

The FinecoBank Group is exposed to the sovereign debt of certain countries, having invested part of its assets in debt securities issued by governments and accounted for, mainly, in "Financial assets at amortised cost" and "Financial assets at fair value through other comprehensive income", therefore any tensions on the government bond market or the volatility of the same could have negative effects on the FinecoBank Group's economic and financial situation and assets.

In line with the guidelines expressed at European level on the assessment of significant increase in credit risk ("SICR"), the COVID-19 health emergency did not change the internal regulations adopted by the FinecoBank Group for the assessment of the creditworthiness of credit exposures, nor the criteria adopted for the staging allocation of retail customers (SICR assessment and classification into stage 1, 2 and 3). Measures taken in the context of the pandemic (such as suspension of loan repayments or late payments), in accordance with the

regulatory framework, were not considered an automatic trigger for SICR nor an automatic trigger for classification as forborne exposures. Consistent with the guidance provided by the Supervisory Authorities, until 31 March 2021 moratoria that comply with the requirements established by the EBA have been maintained at Stage 1 of the staging allocation, unless additional factors have occurred that have resulted in a significant increase in credit risk, such as overrunning other credit lines not subject to moratoria by more than 30 days or the receipt of negative information on the customer's creditworthiness from external databases. Following the EBA's non-renewal of its guidelines on legislative and non-legislative moratoria, all new moratoria granted from 1 April 2021 are assessed and classified on a case-by-case basis in accordance with the current prudential and accounting framework. The decisive factor in this respect is the assessment of the debtor's economic difficulty, which is assessed in consideration of the income/equity situation of the beneficiary of the support measure.

With reference to the method of staging allocation of the institutional counterparties with which the FinecoBank Group carries out lending activities, it should be noted that from January 2021 the FinecoBank Group replaced the approach based on comparing the PD resulting from UniCredit's internal models at the disbursement date and at the reporting date with the method of comparing the rating at the reference date with the rating recorded at the opening date of the relationship described above. The method, which uses the external rating assigned by the Moody's agency, is also applied to financial instruments acquired by the FinecoBank Group for investment purposes, replacing the previous approach based on the low risk exemption. The latter approach, which is explicitly required by the accounting standard, provides an exemption to stage 2 for securities that are investment grade at the reporting date and provides a stage 2 classification for all financial instruments that are non-investment grade at the reporting date, regardless of the riskiness of the instrument at the date of purchase. The decision to adopt a new methodology for staging allocation is in no way attributable to the pandemic crisis and has been implemented in full continuity and consistency with the previous approach. There were no changes in the stage of the counterparties included in the scope.

With particular reference to the future cash flow projections, assumptions and parameters used to measure the recoverability of FinecoBank's goodwill, brands and domains recognised in accounts, the parameters and information used are significantly influenced by the macroeconomic market environment, which may change unpredictably in light of the uncertainties outlined above. In this respect, FinecoBank considered that the changes reasonably estimated to have occurred in the forward-looking data from 31 December 2020 to 30 June 2021 were not sufficient as to significantly affect the positive outcome of the impairment testing carried out as at 31 December 2020. The results confirmed that the goodwill recognised in the financial statements was sustainable, as none of the scenarios used identified the need for any impairment write-downs and, indeed, confirmed that the value in use was well above the carrying amount. The sensitivity analyses also showed that, for the impairment testing to reach a break-even level, changes in the main parameters used in the valuation model would need to be assumed that are not currently reasonably likely. To this end, it should be further recalled that, unlike many issuers in the financial sector, FinecoBank has a market capitalization (amounting to € 8,966 million as at 30 June, 2021) higher than its book net equity.

With reference to the real estate owned by the FinecoBank Group, namely one property for business use and one for investment use, no evidence was identified as at 30 June 2021 that would result in the need for any impairment write-downs in accordance with IAS 36, also considering the current context of the COVID-19 pandemic.

With regard to the actuarial gains/losses calculated in accordance with IAS 19, in particular in connection with severance pay and the supplementary indemnity reserve (FISC) due to financial advisors, no impacts have been identified resulting from the COVID-19 pandemic. In fact, the current crisis generated by the COVID-

19 pandemic has not had any impact on the FinecoBank Group's strategic direction, objectives or business model.

With regard to the application of the standard IFRS 2 "Share-based payments", no changes have been made to the estimated vesting for the share based payments.

There has also been no impact on the recoverability of the deferred tax assets. The amount of deferred tax assets recognised in the financial statements must be tested for the likelihood that future taxable profit will be earned that will enable their recovery.

Because it does not base its business model on a network of physical branches, FinecoBank is less exposed to the risk of pandemics: customers can perform transactions online or with the guidance of personal financial advisors via web collaboration procedures, without experiencing any substantial loss of service. The FinecoBank Group is also set up to ensure operational continuity and remote working arrangements for nearly all its employees, guaranteeing full maintenance of service levels and of the framework of controls without interruption. In response to the unforeseen pandemic, in line with ministerial instructions, FinecoBank took direct measures for its employees by extending remote working authorization to all. This was possible thanks to technological initiatives allowing the full menu of operations (e.g. complete decentralisation of the call center, an essential channel of customer interaction) as well as protections for employees, customers, and the other stakeholders including the network of personal financial advisors authorised for off-site distribution, who have long enjoyed fully paperless internal processes.

With regard to Fineco AM, it continuously monitors the situation generated by the COVID-19 pandemic and its potential impacts, due also to restrictions issued by the various local governments, and it considers that it has not affected its ability to continue its normal operations. Fineco AM's management remains confident in the make-up of the portfolio and continues to assess opportunities to diversify the strategy of the funds under management, although the long-term impacts of COVID-19 on financial markets and the general economy remain uncertain.

The continuation of the COVID-19 pandemic and the associated restrictive measures have resulted in negative effects on the real economy. FinecoBank has considered these circumstances when evaluating the significant items in the financial statements, and based on the results of these evaluations, although it is aware of the current uncertainty regarding the expected economic recovery and the long-term impact of the restrictive measures adopted, it believes that there are no uncertainties regarding the FinecoBank Group's ability to continue as a going concern in the foreseeable future, nor uncertainties that would give rise to significant adjustments to the carrying amounts within the next financial year. However, it is not possible to exclude that, due to their nature, the assumptions reasonably assumed may not be confirmed in the actual future scenarios in which the FinecoBank Group will operate. These scenarios could be affected, among others, by the elements of uncertainty arising from the COVID-19 pandemic and the containment measures implemented and that may be implemented in the future to contain contagions, as well as the measures to support the economy, families and businesses, implemented by governments and supported by the monetary policies of central banks.

In making this assessment, the FinecoBank Group also considered the main regulatory indicators, in terms of point data at 30 June 2021, the relative buffers against the minimum regulatory requirements and their evolution in the foreseeable future.

Therefore, from a prospective point of view, there is no substantial impact on the FinecoBank Group's strategic orientation, objectives and business model, which remains innovative and well diversified, nor is there any significant economic or equity impact.

Binding offer to acquire a stake in Hi-MTF Sim S.p.A.

On 9 February 2021, FinecoBank's Board of Directors approved a binding offer of approximately €1.25 million to acquire a 20% stake in Hi-MTF Sim S.p.A. Underlying the transaction is the desire to increase FinecoBank Group's capacity to extract value from the business through vertical integration by way of leveraging the volumes produced by the FinecoBank Group's customers and developing, together with the current shareholders of Hi-MTF Sim S.p.A., a flexible and modern model. The transaction also aims to offer customers increasingly efficient and transparent instruments in line with Fineco's business model. The acquisition was completed in July 2021.

Appointment of KPMG S.p.A. as the independent auditor of FinecoBank S.p.A. for the years 2022-2030.

Following the approval of the financial statements of FinecoBank as at 31 December 2021, the mandate given to Deloitte & Touche S.p.A. to conduct the independent auditing of accounts for the nine-year period 2013–2021 will expire. In order to ensure an adequate handover period between the outgoing auditor and the newly appointed auditor, the Board of Directors decided to bring forward the appointment of the new auditor for the financial years 2022-2030, putting to the approval of the 2021 Annual Shareholders' Meeting the reasoned motion drawn up by the Board of Statutory Auditors pursuant to Articles 13(1) and 19(1)(f) of Legislative Decree 39/2010.

FinecoBank's Shareholders' Meeting of 28 April 2021 approved the motion to appoint KPMG S.p.A. as the independent auditor of FinecoBank S.p.A. for the years 2022-2030 and determined the remuneration due as stated in the reasoned motion of the Board of Statutory Auditors.

Realignment of tax values of goodwill to higher book values pursuant to Article 110 of Decree-Law 104 of 2020

The 2021 Stability Law expressly acknowledged the possibility of applying also to goodwill and other intangible assets reported in the financial statements as at 31 December 2019 the tax realignment provisions provided for by Article 110 of Decree-Law No. 104 of 2020 with respect to business assets.

In June 2021, the Bank paid the 3% substitute tax on the amount corresponding to the misalignment between the book value and the fiscal value of the goodwill recorded in the financial statements as at 31 December 2019 and still present as at 31 December 2020.

Other events during the period

During the second quarter of 2021, the FinecoBank was subjected to inspections by the Bank of Italy, aimed at assessing compliance with regulations on the transparency of transactions and of banking services and fairness of customer relations. The inspection ended on 16 July 2021 and the inspection report is expected to be delivered in the last quarter of 2021.

LITIGATION AND OTHER PROCEEDINGS

FinecoBank is involved in a number of legal proceedings in the normal course of its business. The most significant cases it is involved in are those proceedings related to: (i) claims by its clients alleging unlawful conduct by its financial advisors, for which the Issuer may incur statutory joint and several liability; (ii) claims by its clients alleging breaches by the Issuer of applicable banking and financial rules of conduct or other contractual breaches; (iii) claims by its former financial advisors for the payment of severance pay; and (iv) tax claims.

RELATED PARTY TRANSACTIONS

FinecoBank's Board of Directors, in order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties and persons in conflict of interest, during the meeting held on 10 July 2021 and with the prior favourable opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, approved the last update of the "*Global Policy for the management of transactions with persons in potential conflict of interest of the FinecoBank Group*" (the **Procedures**).

The aforementioned Procedures include the provisions to be complied with when managing:

- related parties transactions pursuant to the CONSOB Regulation adopted by resolution on 12 March 2010, no. 17221, as subsequently amended;
- transactions with Associated Persons pursuant to the regulations on "Risk activities and conflicts of interest with associated persons", established in Chapter 11 of the Bank of Italy Circular 285/2013 ("Supervisory Provisions for Banks") as amended following the update n. 33 of 23 June 2020 obligations of bank officers pursuant to Article 136 of Legislative Decree 385 on 1 September 1993, showing the "*Consolidated Law on Banking*".

SELECTED FINANCIAL INFORMATION

The following table sets out certain profit and loss information for the periods indicated adjusted and recast as set out in the notes to the table:

€ millions	FY19	FY20	1H20	1H21
Net financial income	284.9	279.7	147.0	147.9
<i>o/w Net Interest Income</i>	281.3	270.7	138.2	124.3
<i>o/w Profit from treasury management</i>	3.6	9.0	8.8	23.6
Net commissions	303.5	379.4	194.5	214.3
Trading profit	41.1	86.8	47.7	40.6
Other expenses/income	0.9	1.9	1.4	0.6
Total revenues	630.4	747.8	390.6	403.5
Staff expenses	-90.2	-99.5	-48.9	-52.9
Other admin.exp. net of recoveries	-112.2	-118.0	-55.9	-60.6
D&A	-22.9	-25.4	-12.3	-12.7
Operating expenses	-225.2	-243.0	-117.0	-126.1
Gross operating profit	405.2	504.8	273.6	277.4
Provisions	-27.2	-34.1	-7.6	-14.0
LLP	-2.0	-3.3	-3.7	-1.7
Profit from investments	7.4	-6.3	-3.8	1.2
Profit before taxes	383.5	461.1	258.5	262.9
Income taxes	-95.1	-137.5	-78.3	-46.2
Net profit for the period	288.4	323.6	180.2	216.7
Net profit adjusted⁽²⁾	272.3	324.5	181.0	184.6
Non recurring items (min, gross)	FY19	FY20	1H20	1H21

<i>Extraord. systemic charges (Trading Profit)⁽³⁾</i>	-3.0	-1.4	-1.2	0.0
<i>Patent Box</i>	18.1	0.0	0.0	0.0
<i>Realignment of Intangible Assets</i>	0.0	0.0	0.0	32.0
Total	15.1	-1.4	-1.2	32.0

Reconciliation	FY19	FY20	1H20	1H21
Net Commissions	-21.6	-24.9	-15.2	-18.1
Other expenses/income	-2.7	-1.6	0.0	-0.6
Other admin. exp. net of recoveries	24.4	26.6	15.2	18.8

(a) Other expenses/income, represented by cost efficiencies achieved by Fineco Asset Management (already accounted into investing revenues); (b) Other Administrative Expenses, represented by costs related to the Network of PFAs (recruiting, loyalty, FIRR, Enasarco); and (c) PFA Incentives previously accounted into other product areas, following the change of the PFAs incentive scheme (which is now only based on AUM)

The following table sets out certain profit and loss information broken down by product area for the periods indicated recast as set out in the notes to the table:

P&L by product area Recast				
<i>€ millions</i>	FY19	FY20	1H20	1H21
Net financial income	274.9	275.0	145.3	142.3
<i>o/w Net Interest Income</i>	271.3	266.0	136.4	118.8
<i>o/w Profit from Treasury Management</i>	3.6	9.0	8.8	23.6
Net commissions	23.9	34.2	20.6	22.7
Trading profit	-0.2	0.3	-0.9	1.5
Other	0.4	0.6	0.5	0.2
Total Banking	299.1	309.5	165.6	166.8
Net Interest Income	14.0	11.5	5.5	7.5
Net Commissions	79.8	133.5	74.6	69.7
Trading profit	41.3	87.4	49.2	37.9
Other	0.0	0.0	0.0	0.0
Total Brokerage	135.1	232.4	129.4	115.1
Net Interest Income	0.0	0.0	0.0	0.0
Net Commissions	199.3	212.4	99.7	122.2
Trading Profit	0.0	0.0	0.0	0.0
Other	0.0	-0.1	-0.1	0.0
Total Investing	199.3	212.3	99.6	122.2

Reconciliation (min)	FY19	FY20	1H20	1H21
Net Commissions	-21.6	-24.9	-15.2	-18.1
<i>o/w banking</i>	2.7	3.2	1.5	1.6
<i>o/w brokerage</i>	2.5	3.1	1.5	1.6
<i>o/w investing</i>	-26.8	-31.3	-18.2	-21.3
Other expenses/income	-2.7	-1.6	0.0	-0.6
Other admin. exp. net of recoveries	24.4	26.6	15.2	18.8

(a) Other expenses/income, represented by cost efficiencies achieved by Fineco Asset Management (already accounted in investing revenues); and (b) Other Administrative Expenses, represented by costs related to the Network of PFA (recruiting, loyalty, FIRR, Enasarco) are recasted into Net commissions (Investing)

The following table sets out certain financial or other ratios as at the dates or for the periods indicated calculated as set out in the notes to the table:

	Dec. 19	Jun. 20	Dec. 20	Jun. 21
PFA TFA / PFA (min)⁽¹⁾	27.8	27.9	30.6	32.5
Guided Products / TFA⁽²⁾	35%	35%	36%	38%
Cost / Income Ratio⁽³⁾	37.9%	29.9%	32.4%	31.3%
CET 1 ratio	restated 24.2%	24.1%	28.6%	18.6%
Adjusted RoE⁽⁴⁾	restated 25.1%	26.0%	21.2%	23.3%
Leverage Ratio	restated 4.54%	4.41%	4.85%	4.03%
Leverage Ratio excl. temporary exemption⁽⁵⁾	restated 4.54%	4.41%	4.85%	3.81%
LCR	~1000%	>900%	>900%	~867%
NSFR	261%	~300%	309%	>300%

(1) PFA TFA/PFA: calculated as end of period Total Financial Assets related to the network divided by number of PFAs at the end of the relevant period

(2) Calculated as Guided Products eop divided by Total Financial Assets at the end of the relevant period

(3) C/I ratio net of non recurring items calculated as Operating Costs divided by Revenues net of non recurring items

(4) RoE: annualized Net Profit, net of non recurring items divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves)

(5) Leverage ratio excluding temporary exemption (i.e. including exposures towards Central Banks within total leverage ratio exposures).

2019 figures restated: excluding 2019 dividend payment of 32.0 €/cents

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of these Listing Particulars and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes 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.

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

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

Taxation in the Republic of Italy

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) 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 tax regime set forth by Decree 239 also applies to interest, premium and other income from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks (other than shares and assimilated instruments), as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011, as converted with amendments by Law No. 148 of 14 September 2011 and as further amended and clarified by Law No. 147 of 27 December 2013, and by Article 9 of Law Decree No. 34 of 30 April 2019, awaiting to be converted into law.

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities or (iv) an investor exempt from Italian corporate income taxation (unless the Noteholders under (i), (ii) or (iii) above opted for the application of the *risparmio gestito* regime – see “*Capital gains tax*” below or has included the Notes in a long-term savings account – to the extent permitted under the applicable law), interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent.

In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be subject to 26% *imposta sostitutiva* on a provisional basis and will then be included in the relevant Italian resident noteholder’s annual income tax return. As a consequence, Interest will be subject to the ordinary income tax and *imposta sostitutiva* may be recovered as a credit that can be offset against the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Notes are connected 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, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), and Article 9, par. 1, Legislative Decree No. 44 of 4 March 2014, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the **Financial Services Act**) or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate investment companies with fixed capital (the **Real Estate SICAFs** and, together with the Italian resident real estate investment funds, the **Real Estate Funds**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an investment company with variable capital) established in Italy (together, the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, nor to any other income tax in the hands of the Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent. (the **Collective Investment Fund Withholding Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income 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 the tax period to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, Italian investment companies (*società di intermediazione mobiliare*) (**SIMs**), fiduciary companies, Italian asset management companies (*società di gestione del risparmio*) (**SGRs**), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be (i) resident in Italy or (ii) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (iii) an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the suffered *imposta sostitutiva* from income taxes due.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident Noteholder is either: (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended according to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (the **White List**) and the beneficial owner of the relevant payment; or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is established in a country included in the White List, even if it does not possess the status of taxpayer therein and provided that they timely file with the relevant depository an appropriate self-declaration of being an institutional investor.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income (institutional investors not subject to tax are deemed to be beneficial owners of the payments of interest, premium and other income by operation of law) and (i) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership or (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva* provided for by Legislative Decree 21 November 1997, No. 461 as subsequently amended (the **Decree No. 461**), levied at the current rate of 26 per cent. Under certain conditions and limitations Noteholders may set off losses with capital gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law.

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

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the investor in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

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 (the “*risparmio amministrato*” regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a substitute tax at a rate of 26 per cent., to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or the shareholder regardless of distribution.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Withholding Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by law.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets and held in Italy are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (i) is resident in a country which allows for a satisfactory exchange of information with Italy, as listed in the White List; or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is established in a country included in the White List even if it does not possess the status of taxpayer therein.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the 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 the sale or redemption of the Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

The transfer of financial instruments as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term saving account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law.

Transfer tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200.00; and (ii) private deeds are subject to registration tax only in the case of voluntary registration, explicit reference or case of use.

Stamp duty

Pursuant to Article 13(2) of the Tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended and supplemented, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.20 per cent. and cannot exceed €14,000 for taxpayers other than individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount or in the case the nominal or redemption values cannot be determined, on the purchase value of the Notes held. Based on the wording of 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 in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals non-commercial entities, including trusts and foundations, and so called *società semplici* (and similar partnerships pursuant to Article 5 of Decree No. 917) resident in Italy for tax purposes holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent (**IVAFE**).

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value or in the case the nominal or redemption values cannot be determined, on the purchase value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Pursuant to the provision of Article 134 of Law Decree No. 34 of May 19, 2020, the wealth tax cannot exceed €14,000 per year for taxpayers different from individuals.

Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please note that the residence concept referred to under the headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax of 20 per cent.

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

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **“foreign financial institution”** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is 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. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, Mediobanca – Banca di Credito Finanziario S.p.A., Morgan Stanley & Co. International plc, and UniCredit Bank AG (together, the **Joint Lead Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 19 October 2021, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.71 per cent of the principal amount of the Notes, in accordance with the terms and conditions contained therein. The Issuer will pay to the Joint Lead Managers the commissions set forth in the Subscription Agreement and it will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations promulgated thereunder.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer and sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons. Each Joint Lead Manager has further agreed that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an 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 if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, agreed and undertaken that:

- (a) it has complied and will comply with the rules set out in the PI Instrument with such Joint Lead Manager deemed to be a "firm" for these purposes;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act 2000, as amended (**FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

Prohibition of sales to EEA Retail Investors

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

Prohibition of sales to UK Retail Investors

Each of the Joint Lead Managers 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 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 point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the 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 by virtue of the EUWA.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of these Listing Particulars 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 of Regulation (EU) No. 1129 of 14 June 2017 (the **Prospectus Regulation**) and any applicable provision of Italian laws and regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of these Listing Particulars 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 Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the FinSA because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. These Listing Particulars do not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

No Swiss key information document (**Swiss KID**) according to the FinSA or any equivalent document under the FinSA has been prepared in relation to the Notes, and, therefore, the Notes may not be offered, recommended or sold to retail clients within the meaning of Art. 4 para. 1 lit. a FinSA in Switzerland. The expression "retail investor" in the sense of Art. 4 para. 1 lit. a FinSA means all clients who are not professional clients pursuant to the FinSA.

General

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

GENERAL INFORMATION

Listing and admission to trading

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin, with effect from the Issue Date. The Global Exchange Market is not a regulated market for the purposes of MiFID II.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market of Euronext Dublin.

Authorisation

The issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 12 October 2021.

LEI

The Legal Entity Identifier (LEI) of the Issuer is 549300L7YCATGO57ZE10.

Clearing systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under ISIN XS2398807383 and common code 239880738. 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.

Significant or Material Adverse Change

There has been no significant change in the financial or trading position of FinecoBank and the FinecoBank Group since 30 June 2021.

There has been no material adverse change in the prospects of the Issuer since 31 December 2020.

Conflicts of Interest

As at the date of these Listing Particulars, and to the best of FinecoBank's knowledge, no member of FinecoBank's managing and controlling bodies has any private interest conflicting with the obligations arising from the office or position held within FinecoBank, except for those that may concern operations put before the relevant bodies of FinecoBank, in accordance with the applicable procedures and in strict compliance with existing laws and regulations. Members of the FinecoBank managing and controlling bodies must comply with the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation:

- Article 53 of the Italian Banking Act sets forth the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, confirming the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;

- Article 136 of the Italian Banking Act, which requires a particular authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its company officers;
- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest that they may have, on their own behalf or on behalf of a third party, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and
- Article 2391-bis of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties, as well as the provisions issued by the Bank of Italy for the prudential supervision of banks concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Circular No. 263/2006 of the Bank of Italy and subsequent updates).

In accordance with the aforementioned provisions, the transactions of greater relevance with related parties or with associated persons fall within the exclusive responsibility of the FinecoBank Board of Directors, with the exception of the transactions falling under the responsibility of the FinecoBank Shareholders' Meeting. For information on related-party transactions, please see Part H of the Notes to the Consolidated Accounts of the Issuer as at 31 December 2020, incorporated by reference herein. Notwithstanding the obligations of Article 2391 of the Italian Civil Code, FinecoBank and its corporate bodies have adopted measures and procedures to ensure compliance with the provisions relating to transactions with its Corporate Officers, as well as transactions with related parties and affiliated entities.

Legal and arbitration proceedings

Neither the Issuer nor any other member of the FinecoBank Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the previous 12 months, which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer or the FinecoBank Group.

Auditors

FinecoBank's consolidated and non-consolidated annual financial statements must be audited by external auditors appointed by its shareholders, under reasoned proposal by FinecoBank's Board of Statutory Auditors. The shareholders' resolution and the Board of Statutory Auditors' reasoned proposal are communicated to CONSOB. The external auditors examine FinecoBank's consolidated and non-consolidated annual financial statements and issue an opinion regarding whether its consolidated and non-consolidated annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and art. 43 of Italian Legislative Decree no. 136/15; which is to say whether they give a true and fair view of the financial position and results and cash flows of, respectively, the FinecoBank Group and FinecoBank. Their opinion is made available to FinecoBank's shareholders prior to the annual general shareholders' meeting.

Since 2007, following a modification of the Financial Services Act, listed companies may not appoint the same auditors for more than nine years.

At the shareholders' meeting of FinecoBank held on 16 April 2013, Deloitte & Touche S.p.A. (**Deloitte**) was appointed to act as FinecoBank's external auditor for the years from 31 December 2013 to 31 December 2021, pursuant to Article 13, paragraph 1, of Legislative Decree No. 39/2010 and to CONSOB Communication 97001574 dated 20 February 1997.

Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance with registration number: 132587, having its registered office at Via Tortona 25, 20144 Milan, Italy.

Availability of documents

For as long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will, when published, be available to Noteholders for inspection or collection in physical format during normal business hours upon reasonable request from the specified office of the Paying Agent (or may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be) in each case at the address given at the end of these Listing Particulars:

- (a) copies of the articles of association of the Issuer (with an English translation thereof);
- (b) the FinecoBank Annual Financial Statements;
- (c) the FinecoBank Semi-Annual Financial Statements; and
- (d) these Listing Particulars and any other documents incorporated therein by reference.

Yield

Based upon a re-offer price of 99.71 per cent. of the principal amount of the Notes, the yield of the Notes for the period from (and including) the Issue Date to (but excluding) the Call Date, is 0.559 per cent. per annum on an annual basis. The yield is calculated at the Issue Date and is not an indication of future yield.

Eurosystem Eligibility

The Notes are issued in NGN form and intended to be held in a manner which would allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue of the Notes or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Joint Lead Managers engaging in business activities with the Issuer

Save for any fees and commissions payable to the Joint Lead Managers under the Subscription Agreement, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. Certain Joint Lead Managers and/or their affiliates (including their holding companies) have engaged and could in the future engage in commercial banking and/or investment activities with the Issuer and/or its affiliates and could, in the ordinary course of their business, provide services to the Issuer and/or to its

affiliates. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates (including their holding companies) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates (including their holding companies) that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates (including their holding companies) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Joint Lead Managers and their affiliates (including their holding companies) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Furthermore, UniCredit, the parent company of UniCredit Bank AG (which acts in the role of Joint Bookrunner and Joint Lead Manager), as of the date of these Listing Particulars, has several commercial, financial and operational relationships with the Issuer. In particular, as of the date of these Listing Particulars, UniCredit is (a) the issuer of the bonds in which a significant portion of FinecoBank's liquidity is invested; and (b) the pledgor under the Pledge Agreement entered into in connection with the Exit (see "*Description of the Issuer – Material Contracts – Pledge Agreement*").

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UniCredit Bank AG

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To the Joint Bookrunners and Joint Lead Managers as to English and Italian law

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