

## INFORMATION MEMORANDUM

15 March 2022



**Banca di Cividale S.p.A.**

*(a bank incorporated as a joint stock company under the laws of the Republic of Italy)*

### **COMMERCIAL PAPER PROGRAMME**

*(Programma di Cambiali Finanziarie)*

<b>Name of the Programme:</b>	<b>Commercial Paper Programme (<i>Programma di Cambiali Finanziarie</i>)</b>
<b>Type of the Programme:</b>	<b>Commercial Paper Programme (<i>Programma di Cambiali Finanziarie</i>)</b>
<b>Name of the Issuer:</b>	<b>Banca di Cividale S.p.A.</b>
<b>Programme size:</b>	<b>Euro 600,000,000</b>
<b>Rating(s) of the Programme:</b>	<b>Not rated</b>
<b>Arranger:</b>	<b>Intesa Sanpaolo S.p.A.</b>
<b>Paying Agent and Calculation Agent:</b>	<b>The Bank of New York Mellon SA/NV – Milan Branch</b>
<b>Dealer:</b>	<b>Intesa Sanpaolo S.p.A.</b>
<b>Listing:</b>	<b>Application will be made to Borsa Italiana S.p.A. for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A..</b>
<b>Effective date of this Information Memorandum:</b>	<b>15 March 2022</b>
<b>Disclaimer clauses for Dealer, Paying Agent and Arranger:</b>	<b>See the section entitled "Important Notice" on page 2 of this Information Memorandum.</b>

**The content of this Information Memorandum has not been reviewed or approved by the *Commissione Nazionale per le Società e la Borsa (CONSOB)* and Borsa Italiana S.p.A.**

## IMPORTANT NOTICE

This information memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the "**Information Memorandum**") contains summary information provided by Banca di Cividale S.p.A. (the "**Issuer**") and has been prepared for the issuance of commercial paper instruments (the "**Instruments**" or "**Cambiali Finanziarie**") pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by, *inter alia*, Law 7 August 2012, No. 134 and by Law 17 July 2020, No. 77 (together, the "**Law 43**"), in connection with a Commercial Paper Programme (*Programma di Cambiali Finanziarie*) (the "**Programme**") under which the Issuer may issue and have outstanding at any time Instruments up to a maximum aggregate amount of €600,000,000.

**Capitalised words and expressions in this Information Memorandum shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein and in the section entitled "Terms and Conditions of the Instruments" below (the "Conditions" or the "Terms and Conditions").**

Under the Programme, the Issuer may issue the Instruments outside the United States pursuant to Regulation S (the "**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**").

Pursuant to a dealer agreement dated 1 March 2021 (the "**Dealer Agreement**") the Issuer has appointed Intesa Sanpaolo S.p.A. as arranger (the "**Arranger**") and dealer for the Instruments (together with any further dealers appointed in connection with the Programme, the "**Dealers**") and it has authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Instruments.

Each Series of Instrument will be the subject of the relevant Contractual Terms which, for the purpose of the relevant issue only, will supplement the Terms and Conditions. The terms and conditions applicable to any Series of Instruments are the Terms and Conditions, as supplemented by the relevant Contractual Terms. In the event of any inconsistency between the relevant Contractual Terms and the Terms and Conditions, the relevant Contractual Terms shall prevail.

This Information Memorandum comprises listing particulars for the purposes of the application to the ExtraMOT PRO (the "**ExtraMOT PRO**"), the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**") and application has been made to Borsa Italiana for the Instruments to be admitted to trading on the ExtraMOT PRO. References in this Information Memorandum to the Instruments being "**listed**" shall be construed accordingly.

An application for a STEP label for this Programme will be made to the STEP Secretariat. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (initially [www.stepmarket.org](http://www.stepmarket.org)). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability. The Issuer has confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. Neither the Issuer nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

The Dealers have not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted, by the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Dealers and the Issuer that any recipient should purchase Instruments. Each such recipient must make, and shall be deemed to have made, its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

The Dealers do not undertake to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum of any information or change in such information coming to any Dealer's attention.

The Dealers do not accept any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Instruments. The distribution of this Information Memorandum and the offering for sale of Instruments or any interest in such Instruments or any rights in respect of such Instruments, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Instruments or any interest in such Instruments or any rights in respect of such Instruments are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Instruments and on distribution of this Information Memorandum and other information in relation to the Instruments and the Issuer set out under "Selling Restrictions" below.

**THE INSTRUMENTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).**

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received in connection with the issue or sale of any Instruments will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

**IMPORTANT – EEA RETAIL INVESTORS** - The Instruments 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"); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** - The Instruments 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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared. Therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## **PRODUCT GOVERNANCE**

### ***MIFID II product governance / target market***

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

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

### ***UK MiFIR product governance / target market***

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

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

## **Interpretation**

In this Information Memorandum, references to:

"**Euro**" and "**€**" refer to the single currency of participating member states of the European Union;

Where this Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published or are being published simultaneously with this Information Memorandum and have been filed with Borsa Italiana, are incorporated in, and form part of, this Information Memorandum:

- (a) the interim financial statement of the Issuer in respect of the six months period ended 30 June 2021 (the "**Interim Financial Statements as at 30 June 2021**");
- (b) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2020 (the "**2020 Financial Statements**"); and
- (c) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2019 (the "**2019 Financial Statements**");

save that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference by way of a supplement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

For the avoidance of doubt, for so long as the STEP label is applied to the Programme, the Issuer shall prepare a new Information Memorandum instead of an amendment or supplement to this Information Memorandum in such circumstances, including every time there is a significant event which changes the substance of the Programme or the nature or quality of the credit risk carried by the Instruments issued under the Programme or as otherwise required in accordance with the provisions of the STEP Market Convention. Any such new information memorandum, for so long as a STEP label is applied to the Programme, shall be submitted to the STEP Secretariat in accordance with the STEP Market Convention. For so long as a STEP label is applied to the Programme and as long as required in accordance with the STEP Market Convention (as amended from time to time) the Issuer shall update this Information Memorandum at least every three years plus 90 days of the date of the last Information Memorandum.

The Issuer will provide, without charge to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Information Memorandum. In addition, such documents will be available, without charge, at the website of the Issuer: [www.civibank.it](http://www.civibank.it).

Except as provided above, no other information, including information on the website of the Issuer, is incorporated by reference in or forms part of this Information Memorandum.

Future financial information relating to the Issuer will be published from time to time on the Issuer's website: [www.civibank.it](http://www.civibank.it).

## DESCRIPTION OF THE PROGRAMME

**Name of the Programme:** Banca di Cividale S.p.A. Commercial Paper Programme (*Programma di Cambiali Finanziarie*)

**Type of the Programme:** Commercial Paper Programme (*Programma di Cambiali Finanziarie*)

Instruments, STEP compliant

**Name of the Issuer:** Banca di Cividale S.p.A.

**Type of Issuer:** Financial corporation (bank).

**Purpose of the Programme:** The net proceeds deriving from the issue of the Instruments will be applied by the Issuer, as indicated in the relevant Contractual Terms, for:

- (a) general funding purposes; or
- (b) to finance or refinance, in whole or in part, green projects, social projects or sustainability projects (hereinafter, respectively, the "**Green Projects**", the "**Social Projects**" and the "**Sustainability Projects**"), in accordance with the broad categorisation of eligibility as set out in the green bond principles set out by the International Capital Market Association (the "**ICMA**") or as from time to time otherwise specified in the applicable Contractual Terms.

In relation to any Green Projects, Social Projects or Sustainability Projects the Issuer has published on the investor relations section on its website ([www.civibank.it](http://www.civibank.it)) the following documents:

- (i) a sustainability framework (the "**Sustainability Framework**"), as amended and supplemented from time to time, which will set out the categories of Green Projects, Social Projects or Sustainable Projects identified by the Issuer; and
- (ii) a second party opinion assessing the alignment of the Sustainability Bond Framework with the ICMA principles (the "**Second Party Opinion**").

For the avoidance of doubt, any such Sustainability Bond Framework or Second Party Opinion is not, nor shall be deemed to be incorporated in, and/or form part of, this Information Memorandum.

**Programme size (ceiling):** Euro 600,000,000.

### Maximum Amount of the Programme

The outstanding principal amount of the Instruments will not exceed Euro 600,000,000 at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.

**Characteristics and form of the Instruments:** The Instruments will be in bearer form.

The Instruments will be issued in dematerialised form (*emesse in forma dematerializzata*) and will be held on behalf of their ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("**Monte Titoli**")

for the account of the relevant Account Holders. The expression "**Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli. Each Series of Instruments issued in dematerialised form will be deposited with Monte Titoli on the relevant Issue Date. No physical document of title will be issued in respect of such Instruments. The Instruments, issued in dematerialised form, will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of (i) Article 83-*bis et seq.* of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and relevant implementing regulations, and (ii) the joint regulation of the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") dated 13 August 2018 and published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) 30 August 2018, No. 201, as subsequently amended and supplemented.

**Yield basis:**

The Instruments may be interest bearing or zero coupon and may be offered and sold at a discount or with a premium to their nominal amount as specified in the Contractual Terms applicable to the relevant Instruments.

Interest bearing Instruments will pay interest at such fixed or floating rates and on such dates as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Contractual Terms.

In no events will interest bearing Instruments result in negative amounts due by the holders of the Instruments; the minimum interest is floored at zero.

Zero Coupon Instruments will be offered and sold at discount or with a premium on their nominal amount and will not bear periodic interest.

**Currencies of issue of the Instruments:**

The Instruments will be denominated in Euro (the "**Currency**").

**Maturity of the Instruments:**

The tenor of the Instruments shall be neither less than one month nor more than 12 months from and including the date of issue subject to compliance with any applicable legal and regulatory requirements.

Each Instrument will be redeemed at its Redemption Amount (which will be in any case not lower than its nominal amount) on the applicable Maturity Date as specified in the relevant Contractual Terms.

The Instruments may be redeemed before the scheduled Maturity Date in the following cases:

- (i) at the choice of the Issuer if "Call Option Right" is specified as applicable in the relevant Contractual Terms and the Issuer decides to exercise such right, it being understood that the redemption amount of each Instrument so redeemed will be in any case not lower than the nominal amount of such Instrument; and/or
- (ii) at the choice of the Instrumentholder if "Put Option Right" is



specified as applicable in the relevant Contractual Terms and the Instrumentholder decides to exercise such right,

in each case subject to, and in accordance with, the provisions set forth in the relevant Contractual Terms and provided that any such early redemption shall not occur before 1 month after the Issue Date.

The redemption amount payable on redemption of a Zero Coupon Instrument at any time before the Maturity Date shall be an amount equal to the sum of:

- (a) the Reference Price as specified in the relevant Contractual Terms, which will be in any case not lower than the issue price of such Zero Coupon Instrument; and
- (b) the product of the Accrual Yield as specified in the relevant Contractual Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Zero Coupon Instrument becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Contractual Terms for the purposes of this Clause or, if none is so specified, a Day Count Fraction of 30E/360.

<b>Minimum issuance amount:</b>	Euro 100,000.
<b>Minimum denomination of the Instruments:</b>	Euro 100,000, subject to compliance with any applicable legal and regulatory requirements. Minimum denominations may be increased from time to time as specified in the relevant Contractual Terms.
<b>Status of the Instruments:</b>	The Issuer's obligations under the Instruments will rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.
<b>Governing law that applies to the Instruments:</b>	The Instruments and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with Italian law.
<b>Listing:</b>	Application will be made to Borsa Italiana for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana.
<b>Clearing and Settlement System:</b>	Monte Titoli S.p.A.
<b>Ratings of the Programme:</b>	Not rated
<b>(Rating can come under review at any time by the</b>	

**rating agencies. Investors shall refer to the relevant rating agencies in order to have access to the latest ratings.)**

**Guarantor:** Not applicable

**Paying Agent and Calculation Agent:** The Bank of New York Mellon SA/NV – Milan Branch

**Arranger:** Intesa Sanpaolo S.p.A.

**Dealer:** Intesa Sanpaolo S.p.A.

**Additional Dealers:** Any additional Dealer appointed in accordance with the Dealer Agreement.

**Selling restrictions:** Offers and sales of the Instruments and the distribution of this Information Memorandum and other information relating to the Issuer and the Instruments are subject to certain restrictions (as set out under "*Selling Restrictions*" below).

**Taxation:** All payments in respect of the Instruments may be subject to a withholding or deduction for or on account of "*imposta sostitutiva*" pursuant to Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239**"), as amended and supplemented from time to time and any related regulations. In the event that any such deduction is made, the Issuer will, save in certain circumstances provided in the terms and conditions of the Instruments, be required to pay additional amounts to cover the amounts so deducted.

**Involvement of national authorities:** Not applicable

**Contact details:** The contact details of the Issuer are:

For operational issues: Roberto Mariuzza; Marco Mosanghini

E-mail: treasury@civibank.it

Telephone: + 39 0432707303

**Additional information on the Programme:** **Benchmark discontinuation**

On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments (each term as defined in the Conditions) in accordance with Condition 6 of the Terms and Conditions of the Instruments.

**Notices:**

If the Instruments have been admitted to listing on the ExtraMOT PRO, organised and managed by Borsa Italiana, all notices required to be

published concerning such Instruments shall be published in accordance with the requirements of the ExtraMOT market rules, EU Regulation 596/2014, as amended, and any other applicable laws. The Issuer may, in lieu of such publication and if so permitted by the ExtraMOT market rules, deliver all such notices to Monte Titoli or publish such notices by any other means acceptable to Borsa Italiana.

**Independent auditors of the Issuer, who have audited the accounts of the Issuer's annual report:**

KPMG S.p.A., with registered office at Via Pierluigi da Palestrina No.12 (Trieste, Italy), has audited the Issuer's interim financial statements and the annual financial statements for the years ended, respectively, on 31 December 2020 and on 31 December 2019.

## DESCRIPTION OF THE ISSUER

<b>Legal name:</b>	Banca di Cividale S.p.A. (" <b>CiviBank</b> ", " <b>Banca di Cividale</b> " or the " <b>Issuer</b> ")
<b>Legal form/status:</b>	The Issuer is a bank incorporated as a joint stock company ( <i>società per azioni</i> ) under the laws of the Republic of Italy.
<b>Date of incorporation/establishment:</b>	Banca di Cividale was established in Cividale del Friuli on 22 July 1886 under the name of " <i>Banca Cooperativa di Cividale, Società Anonima a capitale illimitato</i> ".

## HISTORY

Banca di Cividale was established in Cividale del Friuli on 22 July 1886 under the name of "Banca Cooperativa di Cividale, Società Anonima a capitale illimitato". In 1949 the name was changed to "BP Cividale, Società Cooperativa a responsabilità limitata" (a limited co-operative company). In 2005 it became a società cooperativa per azioni (a co-operative company limited by shares), which it remains to this day, and adopted its current name.

At the start of the 1990s, Banca Popolare di Cividale developed a new strategy aimed at meeting the challenges of globalisation in the light of its local focus, while retaining control over its business as much as possible.

In 1994, Banca Popolare di Cividale created a commercial alliance with Deutsche Bank S.p.A., with the aim of offering customers the convenience of a local bank at the same time as offering the variety of services of a large banking group.

The next stage of this strategy was developed in 2000 with the purchase (by means of a public exchange offer) of a majority stake in Banca Agricola di Gorizia - Kmečka banka, during the first half of the year.

In the second half of 2000, Banca di Cividale S.p.A. was incorporated, with Deutsche Bank S.p.A. holding a 30 per cent. stake. This enabled Banca Popolare di Cividale to work together with a large international partner, through the stake held in the company and services offered by Deutsche Bank S.p.A., while retaining decision-making powers.

In 2001, following the demerger of Banca Agricola di Gorizia - Kmečka banka, Banca Popolare di Cividale purchased and merged the banking business of Kmečka banka, which brought with it new branches in the provinces of Gorizia and Trieste which management considers to be particularly open to international commerce, strengthening its presence in the region of Friuli Venezia Giulia. Kmečka banka was a bank used by the Slovenian community, particularly in the provinces of Gorizia and Trieste. These transactions led to the creation of the group and, as a result, Banca Popolare di Cividale became the holding company of the group, responsible for strategic decisions, controls and coordination.

Soon after, Deutsche Bank S.p.A. revised its strategy aiming towards international objectives and indicated that it would be gradually selling its

minority stake in Banca Popolare di Cividale. Banca Popolare di Cividale repurchased the stake held by the German group, to then sell a part on to Società Cattolica di Assicurazioni coop. a r.l. di Verona, an insurance company that has a strong presence in the same geographical area.

At the start of 2004, Banca Popolare di Cividale formed an alliance with Credito Valtellinese S.C. (then known as Credito Valtellinese S.c.a.r.l. or "**Credito Valtellinese**"), a bank based in Sondrio which shares the same principles as the Banca Popolare di Cividale group - the value of being local and guaranteeing autonomy. In 2004 and 2005 Credito Valtellinese acquired an aggregate total 25 per cent stake in Banca di Cividale.

In 2009 Banca Popolare di Cividale group completed its acquisition of a controlling stake in NordEst Banca S.p.A. ("**NordEst Banca**"), which brought about a marked expansion of the group's financing activities in the renewable energy sector. The integration into the Banca Popolare di Cividale group was successfully completed with a reorganisation of both the NordEst Banca IT system and current practices aimed at achieving the greatest possible synergies between the various group companies.

On 31 December 2010, Banca di Cividale S.p.A. increased its stake in Help Line S.p.A., a service provider created through the restructuring of Help Phone S.r.l. as part of the reorganisation of ICBPI group companies, from 10% to 30%. The total consideration paid by the Banca di Cividale S.p.A. for 20% interest of Help Line S.p.A. was €2.0 million. The increase in the equity investment requires the Banca di Cividale S.p.A. to consolidate Help Line S.p.A. in accordance with IAS 27 (Net Wealth Method).

In March 2013, The Board of Directors of Banca Popolare di Cividale approved the proposal for re-organisation of the group's corporate structure. As part of that proposal, in June 2013 an agreement was struck between Banca Popolare di Cividale and Credito Valtellinese, whereby Banca Popolare di Cividale purchased all 2.505.000 ordinary shares of Banca di Cividale S.p.A. from Credito Valtellinese and Credito Valtellinese purchased a 1% stake in Banca Popolare di Cividale. This agreement superseded all previous agreements between the two banking groups and paved the way for merger by incorporation of Banca di Cividale and NordEst Banca in Banca Popolare di Cividale, which was completed on 28 December 2013.

On 19 March 2014, the group inaugurated its new state of the art headquarters on the site of ex-Italcementi building which hosts its Head Office and Helpline S.p.A..

In April 2015 the merger of the subsidiary Tabogan S.r.l. (concerning real estate matters) was completed.

In December of 2015 the corporate simplification process started in 2013 was completed with the merger by incorporation of the subsidiary Civileasing S.p.A.. As a result of such corporate simplification process the Banca Popolare di Cividale group ceased.

On April 2019, the bank's Board of Directors approved the 2019-2022 strategic plan. As an independent bank, it confirms its mission to be the

reference for households and economic operators in Friuli Venezia Giulia and Veneto, in order to promote the economic, social and cultural growth of the territory in which it operates. The strategy relies on various guidelines including: increasing the relationship with current customers by promoting new business opportunities, growing, in strategic territories, market shares in terms of customers and assets under management, developing efficient processes capable of respond reactively to business needs and optimizing the internal credit and capital management.

On 12 April 2021, the Issuer's shareholders at the extraordinary shareholders' meeting have approved the transformation of the Issuer from a cooperative joint stock company (*società cooperativa per azioni*) into a joint stock company (*società per azioni*) and the relevant minutes of the shareholders' meeting have been registered in the Register of Companies of Pordenone-Udine on 15 April 2021.

On 29 December 2021, Cassa di Risparmio di Bolzano S.p.A. has filed with Consob the offer document relating to a global voluntary tender offer (*offerta pubblica d'acquisto volontaria totalitaria*) over, *inter alia*, the totality of the ordinary shares of the Issuer. The tender offer period shall be agreed with Consob and it is currently expected to begin in the second quarter of 2022.

**Registered office or equivalent (legal address):**

The registered office of CiviBank is Via sen. Guglielmo Pelizzo, No. 8-1, 33043 Cividale del Friuli (Udine), Italy, telephone number +39 0432 707111.

**Registration number, place of registration:**

CiviBank is enrolled in the Register of Companies of Pordenone-Udine with registration number and fiscal code 00249360306.

CiviBank's LEI code is: 549300B0FLNFTFYQDJ30

**Issuer's mission:**

CiviBank's mission is to be the reference for households and economic operators in Friuli Venezia Giulia and Veneto, in order to promote the economic, social and cultural growth of the territory in which it operates.

**Brief description of current activities:**

**Capital or equivalent:**

As at the date of this Information Memorandum, the Issuer's paid-up share capital amounted to €79,362,930, currently divided into 26,454,310 ordinary shares.

**List of main shareholders:**

As at the date of this Information Memorandum, the Issuer's shares are subject to the global voluntary tender offer (*offerta pubblica d'acquisto volontaria totalitaria*) by Cassa di Risparmio di Bolzano S.p.A..

Please note that, pursuant to Article 6 of the Issuer's articles of association, the transfer of shares is subject to the provisions applicable from time to time. This provision includes that any shareholder or any subject that intend to acquire, directly or indirectly shares or voting rights exceeding the thresholds provided by Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time (the "**Consolidated Banking Act**") or any other provision provided by any Italian law, shall request the prior authorisation of Bank of Italy.

**Listing of the shares of the Issuer:**

CiviBank is currently listed on the Hi-mtf, a multilateral trading facility organised and managed by Hi-mtf SIM S.p.A..

**Composition of governing bodies and supervisory bodies**

**Board of Directors:**

As at the date of this Information Memorandum, the composition of the Issuer's Board of Directors is as set out below:

<b>Name</b>	<b>Position</b>
Michela Del Piero	<i>Chairman of the Board of Directors</i>
Andrea Stedile	<i>Chairman of the Executive Committee</i>
Guglielmo Pelizzo	<i>Deputy Chairman of the Board of Directors</i>
Franco Sala	<i>Member of the Executive Committee</i>
Alberto Agnoletto	<i>Member of the Executive Committee</i>
Livio Semolic	<i>Director</i>
Riccardo Illy	<i>Director</i>
Massimo Fuccaro	<i>Director</i>
Manuela Boschieri	<i>Director</i>

**Board of Statutory Auditors:**

As at the date of this Information Memorandum, the composition of the Issuer's Board of Statutory Auditors is as set out below:

<b>Name</b>	<b>Position</b>
Pompeo Boscolo	<i>Chairman</i>
Gianluca Pico	<i>Statutory Auditor</i>
Massimo Miani	<i>Statutory Auditor</i>
Chiara Repetti	<i>Alternate Auditor</i>
Andrea Volpe	<i>Alternate Auditor</i>

The business address of each member of the Board of Directors and of the Board of Statutory Auditors is Banca di Cividale S.p.A., Via sen. Guglielmo Pelizzo, No. 8-1, 33043 Cividale del Friuli (Udine), Italy.

**Conflicts of interest:**

None of the functions performed by any of the Board Members mentioned above results in a conflict of interest.

**Accounting method:**

The annual financial statements, and the interim financial statement referred to above have been prepared in accordance with the International Accounting Standards ("**IAS**") and International Financial Reporting Standards ("**IFRS**") as required by Legislative Decree No. 38 of

28 February 2005 and the Bank of Italy circular no. 262 of 22 December 2005 updated to 22 December 2017, which establishes the required format of the financial statements and related methods of preparation, as well as the content of the related notes.

**Accounting year:** Starting as of 1 January to 31 December

**Fiscal year:** Starting as of 1 January to 31 December

**Other short term programmes of the Issuer** Not applicable

**Ratings of the Issuer:** Not rated

***(Rating can come under review at any time by the rating agencies. Investors shall refer to the relevant rating agencies in order to have access to the latest ratings.)***

**Additional information on the Issuer:** *Litigations:*

As at 31 December 2020, the Bank is a defendant in 86 law suits; the cases mainly involve anatocism and bankruptcy claw-back compensation claims, as well as indemnity claims for losses on investments in financial instruments and other types of compensation claims. For more details on such litigations, reference is made to the information set out on pages 162-163 of the 2020 Financial Statements and on page 43 of the Interim Financial Statements as at 30 June 2021, incorporated by reference into this Information Memorandum.

*Tax treatment of the securities (titoli) issued by CiviBank:*

Interest and the other proceeds in respect of the Instruments are subject to the tax regime (*imposta sostitutiva delle imposte sui redditi*) provided by Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.



## **CERTIFICATION OF INFORMATION**

### **Persons responsible for this Information Memorandum**

Banca di Cividale S.p.A. as Issuer is the entity responsible for the information contained in this Information Memorandum.

### **Declaration of responsibility**

Banca di Cividale S.p.A. as Issuer confirms that, to its knowledge, the information contained in this Information Memorandum is true and does not contain any omission which would make it misleading.

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**BANCA DI CIVIDALE S.P.A.**

## **INFORMATION CONCERNING THE ISSUER'S REQUEST OF THE STEP LABEL**

An application for a STEP label for this Programme will be made to the STEP Secretariat. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (initially [www.stepmarket.org](http://www.stepmarket.org)). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability.

Unless otherwise specified in this Information Memorandum, the expressions "STEP", "STEP Market Convention", "STEP label", "STEP Secretariat", and "STEP market website" shall have the meaning assigned to them in the Market Convention on Short-Term European Paper dated 19 May 2015 and adopted by the ACI – The Financial markets Association and the European Money Markets Institute (as amended from time to time).

## RECENT EVENTS OF THE ISSUER

For complete information relating to corporate transactions and significant events in respect of the year ended 31 December 2020 and the six month period ended 30 June 2021 involving the Issuer, investors are advised to read carefully the relevant information contained in the audited annual financial statements of the Issuer in respect of the year ended 31 December 2020 and in the interim financial statement in respect of the six month period ended 30 June 2021, incorporated by reference into this Information Memorandum.

The following events are herein reported for completeness of information.

### *Transformation in joint stock company (società per azioni)*

On 22 March 2021, the Board of Director of the Issuer has approved a proposal of transformation of the Issuer from a cooperative joint stock company (*società cooperativa per azioni*) into a joint stock company (*società per azioni*) (the "**Transformation**").

The proposal of Transformation has been submitted for approval by the Issuer's shareholders at the extraordinary shareholders' meeting on 12 April 2021 which approved such Transformation and the relevant minutes of the shareholders' meeting have been registered in the Register of Companies of Pordenone-Udine on 15 April 2021.

### *Share capital increase*

On 16 July 2021 the Board of Director of the Issuer, delegated by the extraordinary shareholders' meeting held on 13 April 2019, has approved the offer of Issuer's new shares. The offer period of such Issuer's new shares ended on 30 September 2021 and, accordingly to such offer, the Issuer's share capital has been increased to Euro 79,362,930.

### *Tender Offer*

On 29 December 2021, Cassa di Risparmio di Bolzano S.p.A. ("**Sparkasse**") has filed with Consob the offer document relating to a global voluntary tender offer (*offerta pubblica d'acquisto volontaria totalitaria*) over the totality of:

- (a) the ordinary shares of the Issuer (excluding the ordinary shares of the Issuer held by Sparkasse); and
- (b) the warrants named "Warrant Banca di Cividale S.p.A. – 2021-2024" (excluding the warrants of the Issuer held by Sparkasse),

(the "**Tender Offer**").

The tender offer period relating to the Tender Offer shall be agreed with Consob and it is currently expected to begin in the second quarter of 2022.

## RISK FACTORS

*The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Instruments issued under the Programme. Most of these risk 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, risk factors which are material for the purpose of assessing the market risks associated with the Instruments issued under the Programme are also described below.*

*The Issuer believes that the risk factors described below represent the principal risks inherent in investing in the Instruments issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risk of holding any Instruments are exhaustive.*

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

**Factors that may affect the Issuer's ability to fulfil its obligations under the Instruments issued under the Programme**

### RISK FACTORS RELATING TO THE ISSUER

#### ***Risks related to the impact of global macro-economic factors and the ongoing coronavirus (COVID-19) pandemic***

The performance of CiviBank is influenced by: Italian and EU-wide macroeconomic conditions, the conditions of the financial markets in general, and in particular, by the stability and trends in the economies of those geographical areas in which CiviBank conducts its activity. In particular, CiviBank's activities are concentrated in the North of Italy and such geographical area has been materially affected by the pandemic throughout 2020 and in the first two months of 2021. The earning capacity and solvency of the CiviBank are affected, *inter alia*, by factors such as investor perception, long-term and short-term interest rate fluctuations, exchange rates, liquidity of financial markets, availability and costs of funding, sustainability of sovereign debt, family incomes and consumer spending, unemployment levels, inflation and property prices. Adverse changes in these factors, especially during times of economic and financial crisis, could result in potential losses, an increase in the Issuer's borrowing costs, or a reduction in value of its assets, with possible negative effects on the business, financial condition and/or results of operations of the Issuer.

Global and Italian macro-economic conditions have been, and continue to be, affected by a novel strain of coronavirus (COVID-19), which has spread to numerous countries throughout the globe; the World Health Organization declared the outbreak a pandemic in March 2020. Both the outbreak and government measures taken in response (including border closings, travel restrictions, confinement measures) have had and may continue to have a significant impact, both direct and indirect, on economic activity and financial markets globally. The slowdown of the economies particularly affected (e.g. the United Kingdom, France, Spain, Italy and other European countries, and the United States) as well as the reduction in global trade and commerce more generally have had and are likely to continue to have negative effects on global economic conditions as global production, investments, supply chains and consumer spending are affected and further restrictions are implemented.

In response to the adverse economic and market consequences of the pandemic, various governments and central banks have taken or announced measures to support the economy (such as loan guarantee schemes, tax payment deferrals, expanded unemployment coverage) or to improve liquidity in the financial markets (such as increased asset purchases, funding facilities). No assurance can be given that such measures will suffice to offset the negative effects of the pandemic on the economy regionally or globally, to stave off regional or global recessions or to stabilise financial markets. The economic environment may well deteriorate further before beginning to improve.

CiviBank is exposed to risks from the pandemic and its economic and market consequences both due to its inherent general sensitivity to macroeconomic and market conditions, as well as to specific implications, as

described below.

In fact, the group's results and financial condition could be adversely affected by reduced economic activity and potentially recessions in its principal markets. The containment measures taken in Italy during the course of 2020, 2021 and 2022 have significantly reduced the level of economic activity; while the principal containment measures have been lifted as of the date of this Information Memorandum, any potential future reinstatement of such measures could result in local or regional recessions. The impact of these measures could affect the Issuer's results due to reduced revenues and a deterioration in asset quality, both generally and in specific sectors that are particularly affected. The Issuer's results and financial condition could be adversely affected to the extent that the counterparties to whom it has exposure could be materially and adversely affected, resulting, in particular, in an increase in the Issuer's cost of risk.

Uncertainty as to the duration and extent of the pandemic makes the overall impact on the world economy unpredictable. The extent to which the pandemic and its economic consequences will affect the Issuer's results and financial condition will depend on future developments.

### ***Risks relating to Ukraine crisis***

In February 2022, Russia launched a military assault on Ukraine. The assault started after a prolonged military build-up and the Russian recognition of the self-proclaimed Donetsk People's Republic and the Luhansk People's Republic in the days prior to the military assault. The situation in Eastern Europe has led to significant volatility in the global credit markets and on the global economy. The degree to which macro-economic and political factors, such as the situation in Ukraine, may affect the Issuer is uncertain and presents a significant risk to its access to financing and funding costs.

### ***Risks associated with the capital adequacy of the Issuer***

The Issuer is required by the applicable Italian and European regulations to maintain minimum levels of capital and liquidity. The Issuer may be subject to the risk of having insufficient capital resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, the minimum regulatory capital and liquidity requirements may increase in the future, or the methods of calculating capital and liquidity resources may change. Changes in regulatory requirements may also require the Issuer to raise additional capital and liquidity. Failure to comply with minimum levels of capital may trigger, among others, restrictions on distributions and the need for the Issuer to adopt a capital conservation plan on the necessary remedial actions.

As at 30 June 2021, CiviBank's solvency ratios - calculated according to the transitional treatment for the impact of IFRS 9 ("**IFRS 9 Transitional**") - had the following values: Common Equity Tier 1 ratio equal to 14.51% (equal to 15% as at 31 December 2020), Tier 1 Ratio equal to 14.51% (equal to 15% as at 31 December 2020) and Total Capital Ratio equal to 14.51% (equal to 15% as at 31 December 2020). As at the same date, CiviBank's solvency ratios – considering the full inclusion of the impact of IFRS 9 ("**IFRS 9 fully loaded**") - were as follows: Common Equity Tier 1 Ratio equal to 13.89% (equal to 14.2% as at 31 December 2020), Tier 1 Ratio equal to 13.89% (equal to 14.2% as at 31 December 2020) and Total Capital Ratio equal to 13.89% (equal to 14.2% as at 31 December 2020).

### ***The Bank is subject to liquidity risk***

Liquidity risk is the risk that the Bank is not able to fulfil both expected and unexpected payment obligations in a timely and economic manner, due to the inability to raise financial resources at market costs (funding liquidity risk) or the difficulty of disinvesting its own assets without incurring capital losses (market liquidity risk). This occurs when internal (specific crisis) or external (macroeconomic conditions) events result in the Bank having to deal with a sudden reduction of available liquidity or a sudden need to increase the funding.

CiviBank implemented strategies, policies, processes and systems for the identification, measurement, management and monitoring of the liquidity risk; in particular an adequate level of short-term liquidity reserve has been set up for this purpose. Such reserve includes eligible assets for ECB financing which include Italian government bonds and asset-backed securities relating to securitisation transactions carried out by CiviBank.

To provide further details (including with respect to the information relating to the Issuer's Liquidity Coverage

Ratio) reference is made to the Interim Financial Statements as at 30 June 2021, the 2020 Financial Statements and the 2019 Financial Statements incorporated by reference to this Information Memorandum.

### **Credit risk**

Credit risk is the risk that debtors may not fulfil their obligations or that their credit rating may suffer a deterioration. Credit risk includes (i) counterparty risk and (ii) risks connected to the deterioration of the credit quality.

#### *Counterparty risk*

A number of factors affect a bank's credit risk in relation to individual credit exposures or for its entire loan book. These include the trend in general economic conditions or those in specific sectors, changes in the rating of individual counterparties, deterioration in the competitive position of counterparties, poor management on the part of firms or counterparties given lines of credit, and other external factors, also of a legal and regulatory nature. Following the COVID-19 pandemic it cannot be excluded that credit quality for 2021 could be influenced with potential impacts not yet quantifiable. With respect to the impact of the COVID-19 pandemic please also refer to "*Risks related to the impact of global macro-economic factors and the ongoing coronavirus (COVID-19) pandemic*" above.

The deterioration of the creditworthiness of major customers and, more generally, any defaults or repayment irregularities, the launch of bankruptcy proceedings by counterparties, the reduction of the economic value of guarantees received and/or the inability to execute the said guarantees successfully and/or in a timely manner could have a material negative effect on the business, financial condition and/or results of operations of the Issuer.

#### *Risks connected to the deterioration of credit quality*

CiviBank is subject to credit risk. CiviBank's policies for managing and controlling the quality of the loan portfolio, and the associated risks, are based on rules of sound and prudent management. The policies are implemented through the processes of distributing, managing and monitoring credit risks that varied according to the circumstances of the market, business sector and characteristics of each borrower. The loan portfolio is closely monitored on a continuous basis in order to promptly identify any signs of imbalance and to take corrective measures aimed at preventing any deterioration.

The recent crisis in the financial markets and the global economic slowdown have reduced and may further reduce, also as a result of the COVID-19 pandemic, the disposable income of households, as well as the profitability of companies and/or adversely affect the ability of bank customers to honour their commitments, resulting in a significant deterioration in credit quality in the areas of activity of the Issuer.

As at 30 June 2021, CiviBank's non-performing exposures (NPEs), net of adjustments, amounted to €136,280 thousand (€143,951 thousand as at 31 December 2020), down by 5.3% compared to December 2020, with a coverage ratio of 51.3% (51.6% as at 31 December 2020). In further detail, net non-performing exposures were €47,780 thousand (€46,894 thousand as at December 2020), an increase of 1.9% compared to December 2020, with a coverage ratio of 67.3% (69.6% in December 2020). Unlikely to pay exposures stood at €80,721 thousand (€85,844 thousand as at 31 December 2020), a reduction of 6% compared to December 2020, resulting in a coverage ratio of 32.5% (34.1% in December 2020), whereas past due exposures were €7,779 thousand (€11,213 thousand as at 31 December 2020), resulting in a decrease of 30.6% compared to December 2020, with a coverage ratio of 16.5% (13.7% in December 2020).

#### **Risks related to the exposure to sovereign debt**

As at 30 June 2021, CiviBank's total exposure to sovereign Italian debt securities is equal to 18.37% of the total financial assets (equal to 18.21% as at 31 December 2020) and to 17.64% of the total assets (which is equal to 17.45% as at 31 December 2020).

Any decrease in the differential yield between Italian government bonds and other European government debt securities and/or any deterioration in the creditworthiness of the Republic of Italy below investment grade, may have, with respect to the Italian government bonds measured at fair value (which are equal to 18.73% of the total financial assets and 17.64% of the total assets of the Issuer as at 30 June 2021), an

adverse effect on the value of the portfolio, the capital ratios and the liquidity of such portfolio.

### **Operational risk**

Liquidity risk is the risk that the Issuer may not have the cash resources to be able to meet its payment obligations, scheduled or unscheduled, when due. More specifically, it refers to the risk that the Issuer is not able to meet its scheduled or unscheduled payment obligations in an efficient manner due to its inability to access funding sources, without prejudicing its banking activities and/or financial condition.

### **Risk related to the absence of the Issuer's rating**

Ratings assigned by the main international rating agencies are an indication of the credit ratings of an issuer and the outlook represents the parameter which indicates the expected trend in the near future, of the ratings assigned to the Issuer. Although, such indications support investors in the analysis of the credit risks related to financial instruments, these may not properly reflect developments in the solvency position of an issuer. In addition, ratings assigned to an Italian issuer may be influenced by developments in the rating assigned to Italy's sovereign debt and the Italian macroeconomic conditions. Any deterioration in the Italian sovereign debt rating or in the Italian macroeconomic condition may lead to a downgrade of the ratings, which could in turn have adverse effects on the business, financial condition and/or results of operations of an issuer.

As at the date of this Information Memorandum neither CiviBank nor any financial instrument issued by it has been assigned, or it is expected to be assigned, a rating by an international rating agency. The absence of a rating may have a negative effect on the liquidity of the Instruments issued by CiviBank, such as a potential increase in the cost of funding.

### **Risk related to legal proceedings**

As at the date of this Information Memorandum, CiviBank is involved in certain legal proceedings (including some fiscal disputes); for further information in this respect please see "*Description of the issuer - Additional information on the Issuer*" above. It cannot be excluded that the outcome of the ongoing proceedings and any further proceedings that may arise, may have an unfavourable outcome for the Issuer, with consequent negative, even significant, effects on the economic and/or financial situation of the Bank.

### **Issuer's ability to meet its obligations under the Instruments**

No security interest has been created by CiviBank for the benefit of the holders of the Instruments for their claims under the Instruments, nor will any guarantee be issued in favour of the Instrumentholders. Consequently, the Issuer will meet its payment obligations under the Instruments primarily through the results of its business activities. Instrumentholders will have access to all assets of CiviBank to satisfy their claims under the Instruments.

### **Rights of individual Instrumentholders**

The right of each Instrumentholder to bring individual actions or use other individual remedies to enforce his/her own rights under the Instruments will be subject to the procedure provided by Condition 17.3 (*Individual actions and remedies*). This could have a negative impact on the right of Instrumentholders to enforce their rights under the Instruments.

### **The Bank Recovery and Resolution Directive 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 implementation of the directive or the taking of any action under it could materially affect the value of any Instrument**

Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or the "**BRRD**") as amended by Directive 2017/2399 (the "**BRRD Amending Directive**") and Directive 2019/879 (the "**BRRD II**" and, jointly with the BRRD and the BRRD Amending Directive, the "**BRRD Package**") provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD has been implemented in Italy through the adoption of the Legislative Decrees No. 180/2015 of 16 November 2015 and 181/2015. On 29 October 2020, the Italian Senate approved the draft European Delegated Law 2019 -2020 ("*Legge di Delegazione Europea 2019-2020*"), which is aimed, once formally adopted, to delegate the Italian Government to implement – *inter alia* – the BRRD II in Italy.

The BRRD Package contains four resolution tools and powers which may be used alone or in combination 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. These four resolution tools and powers are: (i) sale of business - which enables resolution authorities to direct the sale of the firm 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 under public control); (iii) asset separation - which enables resolution authorities to transfer 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 into shares or other instruments of ownership (i.e. shares, 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**"), which equity could also be subject to any future application of the General Bail-In Tool.

In addition to the General Bail-In Tool, the BRRD Package provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before or at the same time as any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of the Securities upon any such conversion into equity capital instruments may also be subject to any application of the General Bail-In Tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD Package is the point at which the relevant authority determines that the institution and/or its group meets the conditions for resolution (but no resolution action has yet been taken) or that the institution and/or its group will no longer be viable unless the relevant capital instruments are written-down/converted or extraordinary public support is to be provided and the appropriate authority determines that without such support the institution would no longer be viable.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD.

The BRRD also requires institutions to meet, at all times, robust minimum requirements of own funds and liabilities eligible for bail-in expressed as a percentage of the total liabilities and own funds of the institution (i.e. "Minimum Requirement for Own Funds and Eligible Liabilities" – "**MREL**"). MREL represents one of the key tools to improve banks' resolvability, allowing resolution authorities to maintain critical functions and restore a bank's capital position after resolution.

**The powers set out in the BRRD Package and the application of the MREL requirement will impact credit institutions and investment firms and how they are managed as well as, in certain circumstances, the rights of creditors under the Programme and could, therefore, materially adversely affect the rights of Instrumentholders, the price or value of their investment in any Instruments and/or the ability of the Issuer to satisfy its obligations under any Instruments.**

## **RISKS RELATING TO THE INSTRUMENTS**

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;



- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payment is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Risks related to the structure of a particular issue of the Instruments***

A range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

*Interest Rate Risks*

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments. Investment in floating rate Instruments involves the risk that interest rates may vary from time to time, resulting in variable interest payments to holders of the Instruments.

*Instruments issued at a substantial discount or premium*

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

*Instruments subject to optional redemption*

In respect of Instruments for which "Call Option Right" is specified as applicable in the relevant Contractual Terms, the relevant redemption option granted to the Issuer is likely to limit the market value of the Instruments.

Furthermore, in respect of Instruments for which "Call Option Right" or "Put Option Right" is specified as applicable in the relevant Contractual Terms, there can be no assurance that Instrumentholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Set out below is a brief description of certain risks relating to the Instruments generally:*

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

Application will be made for the Instruments to be admitted to listing on the ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., which does not impose an intermediary to act as bid/ask specialist or market maker facilitating trading in relation to the Instruments. Therefore, the Instruments may not have an active and liquid trading market and investors may experience difficulties in selling their Instruments and/or selling them at a price that will provide them with a return similar to that which may be obtained on comparable investments that have a more developed market.

Consequently, in deciding their own financial strategy, prospective investors should consider whether the maturity of the Instruments is in line with its future liquidity requirements or needs.

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

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

### *The secondary market generally*

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Instruments. In addition, the Instruments issued under the Programme are expected to be listed on a non-regulated market (multilateral trading facility) and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Instruments may be adversely affected.

### *Interest rate risks*

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments.

### *The regulation and reform of "benchmarks" may adversely affect the value of Instruments linked to such "benchmarks"*

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Instruments linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016. The Benchmarks Regulation applies, subject to certain conditions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. 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 of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The Benchmarks Regulation as it forms part of domestic law by virtue of the EUWA among other things, applies to the provision of benchmarks and the use of a benchmark in the UK (the "**UK Benchmarks Regulation**"). Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Instruments linked to or referencing a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the 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 "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.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and

derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("€STR") as the new risk free rate. The ECB published the €STR for the first time on 2 October 2019, reflecting trading activity on 1 October 2019. €STR will replace EONIA with effect from 3 January 2022. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to enter into new contracts referencing EURIBOR or EONIA or €STR without more robust provisions may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forward. This may cause EURIBOR to perform differently than it has done in the past and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Instruments linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if EURIBOR was discontinued or otherwise unavailable, the rate of interest on floating rate Instruments which reference to EURIBOR will be determined for the relevant period by the fallback provisions applicable to such Instruments. This may result in the effective application of a fixed rate based on the rate which applied in the previous period when the EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any floating rate Instrument which reference to EURIBOR.

The Terms and Conditions of the Instruments provide for certain fallback arrangements in the event that Benchmark Event (as defined in the Terms and Conditions) occurs, including if a published benchmark and any page on which such benchmark may be published (or any successor service) becomes unavailable. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions) determined by the Issuer (acting in good faith and in a commercially reasonable manner), and that such Successor Rate or Alternative Rate may be adjusted (if required) by an Adjustment Spread (as defined in the Terms and Conditions) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in any Instruments linked to or referencing a benchmark performing differently (which may include payment of a lower rate of interest) than they would if the benchmark were to continue to apply in its current form. In certain circumstances the ultimate fallback of interest for a particular interest period may result in the rate of interest for the last preceding interest period being used. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the relevant fallback provisions may not operate as intended at the relevant time. If the Issuer determines that amendments to the Terms and Conditions of the Instruments and/or the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Instrumentholders, as provided by the Terms and Conditions of the Instruments.

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

under, the Instruments. Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Instruments linked to or referencing a benchmark. **INVESTORS SHOULD CONSULT THEIR OWN INDEPENDENT ADVISERS AND MAKE THEIR OWN ASSESSMENT ABOUT THE POTENTIAL RISKS IMPOSED BY THE BENCHMARKS REGULATION AND/OR THE UK BENCHMARKS REGULATION, AS APPLICABLE, OR ANY OF THE INTERNATIONAL OR NATIONAL REFORMS AND THE POSSIBLE APPLICATION OF THE BENCHMARK REPLACEMENT PROVISIONS OF THE INSTRUMENTS, INVESTIGATIONS AND LICENSING ISSUES IN MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE INSTRUMENTS LINKED TO OR REFERENCING SUCH A "BENCHMARK".**

***In respect of any Instrument issued with a specific use of proceeds, such as a "Green Bond", "Social Bond" or "Sustainability Bond", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

If so specified in the relevant Contractual Terms, the Issuer may issue Instruments under the Programme described as "green bonds" ("**Green Bonds**"), "social bonds" ("**Social Bonds**") and/or "sustainability bonds" ("**Sustainability Bonds**") in accordance with the principles set out by the International Capital Market Association ("**ICMA**") (respectively, the Green Bond Principles ("**GBP**"), the Social Bond Principles ("**SBP**") and the Sustainability Bond Guidelines ("**SBG**") for the purposes of financing and/or refinancing, in whole or in part, respectively, Green Projects, Social Projects and/or Sustainability Projects (each of such terms as defined in the "*Description of the Programme*" section).

In such a case, prospective investors should have regard to the information in the applicable Contractual Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Instruments together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for the funding of any Green Projects, Social Projects or Sustainability Projects, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law, regulations or standards (including, amongst others, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") or any standards resulting from the proposal for a European green bond standard (EUGBS) adopted by the European Commission on 6 July 2021) or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of, or related to, the relevant Green Projects, the relevant Social Projects or the relevant Sustainability Projects).

Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. The EU Taxonomy Regulation has been recently enacted and is subject to further development by way of implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation (the "**EU Sustainable Finance Taxonomy Delegated Acts**"). A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was approved in principle on 21 April 2021, and formally adopted on 4 June 2021 for scrutiny by the co-legislators. A second delegated act for the remaining objectives will be published in 2022. On 6 July 2021, a delegated act supplementing Article 8 of the EU Taxonomy Regulation was adopted by the Commission for scrutiny by the co-legislators. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

Even if a definition or market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green"

or "sustainable" or such other equivalent label, should develop or be established, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects, Social Projects or Sustainability Projects will meet any or all investor expectations regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives (including those set out under the EU Taxonomy Regulation and the EU Sustainable Finance Taxonomy Delegated Acts) or that any adverse green, social, sustainable and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects, Social Projects or Sustainability Projects, as the case may be, towards which proceeds of the Instruments are to be applied. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the GBP and/or the SBP and/or the SBG and/or the EU Taxonomy Regulation and the EU Sustainable Finance Taxonomy Delegated Acts. Any such changes could have an adverse effect on the liquidity and value of and return on any such Green Bond, Social Bond or Sustainability Bond.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green Bond, Social Bond or Sustainability Bond and in particular with any Green Projects, Social Projects or Sustainability Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Information Memorandum. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green Bonds, Social Bonds or Sustainability Bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds, Social Bonds or Sustainability Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

While it is the intention of the Issuer to apply the proceeds of any issue of Green Bonds, Social Bonds or Sustainability Bonds for Green Projects and/or Social Projects and/or Sustainability Projects in, or substantially in, the manner described in the applicable Contractual Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Projects, Social Projects and Sustainability Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant issue of Green Bonds, Social Bonds or Sustainability Bonds will be totally or partially disbursed for the specified Green Projects, Social Projects and Sustainability Projects. Nor can there be any assurance that such Green Projects or such Social Projects or such Sustainability Projects, will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer (including to comply with its reporting obligations in relation to Green Bonds, Social Bonds or Sustainability Bonds) will not (i) give rise to any claim of a Instrumentholder against the Issuer; (ii) constitute an event of default under the Instruments; (iii) lead to an obligation of the Issuer to redeem such Instruments or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Instruments; or (v) prevent the applicability of the general bail-in tool. Neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds or asset financed with such proceeds will be segregated by the Issuer from its capital and other assets. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant Green Project, Social Project or Sustainability Project (as the case may be) nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds are to be applied.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

The following is the text of the terms and conditions of the Instruments (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "**holder**" of the Instruments or "**Instrumentholder**" are to the ultimate owners of the Instruments, dematerialised and evidenced by book entries with Monte Titoli S.p.A. in accordance with the provisions of (i) Article 83-bis et seq. of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and the relevant implementing regulations, and (ii) Bank of Italy and CONSOB Regulation dated 13 August 2018.

In addition, the applicable Contractual Terms in relation to any Series of Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of such Series. "Contractual Terms" means the duly completed version of the form of contractual terms included in the Information Memorandum or any other terms as agreed between the Issuer and the relevant Dealer (in whatsoever form, including oral, such agreement or arrangement may take) in connection with the issuance and offer of the Instruments of each Series.

### 1. Description of the type and the class of the Instruments

The Instruments which may be issued, offered and/or listed under the Programme by Banca di Cividale S.p.A. are commercial paper (*cambiali finanziarie*) instruments (the "**Instruments**" or "**Cambiali Finanziarie**") pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by, *inter alia*, Law 7 August 2012, No. 134 and by Law 17 July 2020, No. 77 (together, the "**Law 43**").

The Instruments are negotiable money market instruments of the Issuer, issued pursuant to Law 43.

### 2. Maximum Amount of the Programme

The outstanding principal amount of the Instruments will not exceed €600,000,000 at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.

### 3. Minimum denomination of the Instruments

The minimum denomination for the Instruments is €100,000, subject to compliance with any applicable legal and regulatory requirements. Minimum denominations may be increased from time to time as specified in the relevant Contractual Terms.

### 4. Remuneration and Redemption

The Instruments may be interest bearing or may not bear interest and may be offered and sold at a discount or with a premium to their nominal amount, as specified in the relevant Contractual Terms.

Zero Coupon Instruments will not bear interest and will be offered and sold at discount or with a premium to their nominal amount.

Interest bearing Instruments will accrue fixed or floating interest starting from the relevant Issue Date. Such interest will be paid at the rates and on the Interest Payment Dates as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Contractual Terms. In no event will interest bearing Instruments result in negative amounts due by the holders of the Instruments. The minimum interest is floored at zero.

Each Instrument will be redeemed at its Redemption Amount (which will be in any case not lower than its nominal amount) on the applicable Maturity Date as specified in the relevant Contractual Terms.

The Instruments may be redeemed before the scheduled Maturity Date in the following cases:

- (i) by the choice of the Issuer if "Call Option Right" is specified as applicable in the relevant Contractual Terms and the Issuer decides to exercise such right, it being understood that the redemption amount of each Instrument so redeemed will be in any case not lower than the nominal amount of such Instrument; and/or

- (ii) by the choice of the Instrumentholder if "Put Option Right" is specified as applicable in the relevant Contractual Terms and the Instrumentholder decides to exercise such right,

in each case subject to, and in accordance with, the provisions set forth in the relevant Contractual Terms and provided that any such early redemption shall not occur before 1 month after the relevant Issue Date.

The redemption amount payable on redemption of a Zero Coupon Instrument at any time before the Maturity Date shall be an amount equal to the sum of:

- (a) the Reference Price as specified in the relevant Contractual Terms, which will be in any case not lower than the issue price of such Zero Coupon Instrument; and
- (b) the product of the Accrual Yield as specified in the relevant Contractual Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Zero Coupon Instrument becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Contractual Terms for the purposes of this Clause or, if none is so specified, a Day Count Fraction of 30E/360.

## 5. Fallback provisions

The Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page or such other page as may replace the Relevant Screen Page on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such equivalent service as may replace such Relevant Screen Page at or about 11:00 a.m. (Milan time) on the relevant Determination Date (rounded to four decimal places with the midpoint rounded upwards) (the "**Screen Rate**"), provided that:

- (a) if the Screen Rate is unavailable at such time, then the rate for any relevant interest period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Calculation Agent by the Issuer at the Issuer's request by each of the Reference Banks; or
- (b) if on any Determination Date, the Screen Rate is unavailable and only two of the Reference Banks provide such offered quotations the relevant rate shall be determined, in the manner specified in item (a) above, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (c) if, on any Determination Date, the Screen Rate is unavailable and only one of the Reference Banks provides an offered quotation, the Rate of Interest for the relevant interest period shall be the rate of Interest in effect for the immediately preceding interest period when one Reference Rate or item (b) above shall have been applied.

### 5.1 Definitions

For the purposes of this Condition 5, unless defined above:

"**Reference Banks**" means the principal office in the Relevant Financial Centre of four leading swap dealers in the Relevant Financial Centre inter-bank market as selected by the Issuer.

"**Reference Rate**" means, as the case may be, (i) the Original Reference Rate (as defined under Condition 6 below) or (ii) the Successor Rate or the Alternative Rate, as adjusted by the Adjustment Spread (each as defined under Condition 6 below), if any.

"**Relevant Financial Centre**" means the financial centre specified as such in the applicable Contractual terms.

"**Relevant Screen Page**" means the screen page specified in the applicable Contractual Terms.

## 6. **Benchmark discontinuation**

If a Benchmark Event occurs in relation to an Original Reference Rate when any required rate of interest (or any component part thereof) in respect of the Instruments (the "**Rate of Interest**") remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 6 shall apply.

### 6.1 **Successor Rate or Alternative Rate**

If the Issuer, acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest for all relevant future payments of interest on the Instruments (subject to the further operation of this Condition 6), with effect as from the date or interest period specified in the notice delivered pursuant to Condition 6.3 below; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of for all relevant future payments of interest on the Instruments (subject to the further operation of this Condition 6), with effect as from the date or interest period specified in the notice delivered pursuant to Condition 6.3 below.

### 6.2 **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6 and the Issuer, acting in good faith, determines the amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.3, without any requirement for the consent or approval of Instrumentholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this Condition 6.2 the Issuer shall comply with the rules of any stock exchange on which the Instruments may be listed or admitted to trading.

### 6.3 **Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6 will be notified promptly by the Issuer to the Calculation Agent and, in accordance with Condition 16, the Instrumentholders. Such notice shall be irrevocable and shall specify (inter alia) the effective date of the Benchmark Amendments, if any. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) so notified will (in the absence of manifest error or bad faith) be binding on the Issuer, the Agent and the Instrumentholders.

### 6.4 **Definitions**

For the purposes of this Condition 6, unless defined above:

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



- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer determines (acting in good faith and in a commercially reasonable manner) is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) if the Issuer determines that no such spread is customarily applied, the Issuer determines (acting in good faith and in a commercially reasonable manner) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);
- (iv) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Issuer determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 6.1 is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Currency as the Instruments.

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Day or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate, stating, or to the effect, that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the relevant Rate of Interest that, in the view of such supervisor, such Rate of Interest is no longer representative of an underlying market or the methodology to calculate such Rate of Interest has materially changed; or
- (vi) it has or will prior to the next Determination Date become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Instrumentholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

provided that in the case of sub-paragraphs (ii), (iii), (iv) and (v), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

**"Original Reference Rate"** means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest.

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

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board, the European Systemic Risk Board, or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate that the Issuer determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the relevant reference rate (for the avoidance of doubt, whether or not such reference rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

**7. Business days for payments**

Days on which banks are open for business in Milan and TARGET for Euro.

**8. Day count fraction for calculation of interest and Day adjustment basis**

When applicable, specified in the Contractual Terms.

**9. Currency of the Instruments**

The Instruments may be denominated in Euro.

**10. Possible ranking clauses relating to the Instruments**

The Instruments are not subordinated and rank *pari passu* with other current and future senior instruments of the Issuer. The Instruments are unguaranteed and unsecured obligations of the Issuer, i.e. the repayment of the Instruments and the payment of the coupons (if any) are not secured by any specific security interest or guarantee and no commitments have been made in relation to the undertaking of guarantees for the successful outcome of the Instruments Issue.

The rights relating to the Instruments rank *pari passu* with present or future unsecured instruments of the Issuer.

Therefore, the credit of the Instrumentholder *vis-à-vis* the Issuer shall be satisfied *pari passu* together with the other unsecured and unguaranteed indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.

**11. Taxation**

*Gross up:* All payments of principal and interest in respect of the Instruments by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Italy, as the case may be, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the holders of the Instruments of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Instrument:

- (i) in relation to any payment to be requested in the Republic of Italy; or
- (ii) held by a relevant holder or beneficial owner of the Instruments which is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument by reason of its having some connection with the Republic of Italy other than the mere holding of such Instrument; or

- (iii) in relation to any payment or deduction on principal, interest, premium or other proceeds of any Instrument on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or supplemented from time to time, or any regulations implementing or complying with such Legislative Decree; or
- (iv) held by any holder of the Instruments who would be entitled to avoid such withholding or deduction by making a declaration of residence or non-residence or other similar claim for exemption and fails to do so in due time; or
- (v) in relation to any payments to be requested more than 15 days after the Interest Payment Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had requested such payment in respect of such Instrument on the last day of such period of 15 days; or
- (vi) in relation to withholding or deduction where imposed on a payment pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986, or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

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

## 12. Issue Date and Maturity Date

The Issue Date and the Maturity Date of the Instruments of each Series shall be specified in the relevant Contractual Terms.

## 13. Form of the Instruments

The Instruments to be issued under the Programme will be in bearer form and will be held in dematerialised form. The Instruments will be issued in dematerialised form and will be held on behalf of their ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Account Holders. The expression "**Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli. Each Series of Instruments will be deposited with Monte Titoli on the relevant Issue Date. No physical document of title will be issued in respect of the Instruments issued in dematerialised form.

The Instruments will at all times be held in book entry form and title to the Instruments will be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of Article 83-*bis et seq.* of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and implementing regulation and with the joint regulation of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and the Bank of Italy dated 13 August 2018 and published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) 30 August 2018, No. 201, as subsequently amended and supplemented.

## 14. Regime of circulation of the Instruments

In compliance with Law 43, the Instruments can be issued and transferred only in favour of qualified investors pursuant to article 100 of the Italian Financial Services Act, which are not, directly or indirectly, partners of the Issuer, pursuant to article 1, paragraph 2-bis, lett. d) of Law 43. The Instrumentholders have the right to receive payments of principal and interests on each Interest Payment Date (as set out in Condition 4).

## 15. Lapsing of the rights to principal and interest

The rights of the holders of the Instruments are barred, with regard to the interests, within five years from the date in which the interests became due and, with regard to the principal, within ten years from the date in which the Instruments became redeemable.

The termination of the right to request payment of interest and principal will be considered to be for the benefit of the Issuer.

## **16. Notice**

If the Instruments of any Series have been admitted to listing on the ExtraMOT PRO, organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"), all notices required to be published concerning such Instruments shall be published in accordance with the requirements of the ExtraMOT market rules, EU Regulation 596/2014, as amended, and any other applicable laws. The Issuer may, in lieu of such publication and if so permitted by the ExtraMOT market rules, deliver all such notices to Monte Titoli or publish such notices by any other means acceptable to Borsa Italiana.

## **17. Governing law and submission to jurisdiction**

### **17.1 Governing law**

The Instruments and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with Italian law.

### **17.2 Submission to jurisdiction**

The courts of Milan are to have jurisdiction to settle any disputes which may arise out of or in connection with the Instruments (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 Instruments (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer 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.

### **17.3 Individual actions and remedies**

Where permitted by applicable law, the right of each Instrumentholder to bring individual actions or use other individual remedies to enforce his/her own rights under the Instruments will be subject to the following procedure:

- (a) the Instrumentholder(s) intending to bring action or enforce his/her own rights under the Instruments will notify the Issuer of such intention; and
- (b) the Issuer and the Instrumentholder(s) shall use their best endeavours to reach a reasonable agreement among them;
- (c) if no agreement is reached after 10 Business Days following the notification referred in paragraph (a) above, the Instrumentholder(s) will not be prohibited from taking such action or remedy.

Each Instrumentholder is deemed to have accepted and is bound by the provisions of this Condition 17.

## FORM OF CONTRACTUAL TERMS

The Instruments covered hereby are commercial paper (*cambiali finanziarie*) instruments issued pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by Law 7 August 2012, No. 134 and by Law 17 July 2020, No. 77.

The Instruments covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Instruments 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**"); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Instruments 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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments 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 [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments 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

Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][<sup>1</sup>]

Issuer: Banca di Cividale S.p.A.

No:		Series No.:	
Issue Date:		Maturity Date <sup>2</sup> :	
Specified Currency: Euro		Minimum Denomination:	
Principal Amount of the Instruments:		Interest Basis: [Fixed rate] [Floating rate] [Zero coupon]	
[Interest Rate: [ ] per cent. per annum] <sup>3</sup>		[Margin: [ ] <sup>4</sup>	
Redemption Amount: [ ] <sup>5</sup>		[Day Count Fraction: [ ] <sup>6</sup>	
Call Option Right:	[Applicable]	Put Option Right:	[Applicable]
	Exercise Period: [ ]		Exercise Period: [ ]
	Optional Redemption Date(s) <sup>7</sup> : [ ]		Optional Redemption Date(s) <sup>7</sup> : [ ]
	Optional Redemption Amount: [ ] <sup>5</sup>		Optional Redemption Amount: [ ] <sup>5</sup>
	Optional Redemption Notice: [ ] <sup>8</sup> Business Days prior to the [relevant] Optional Redemption Date		Optional Redemption Notice: [ ] <sup>8</sup> Business Days prior to the [relevant] Optional Redemption Date
Reference Price: [ ] <sup>9</sup> per cent		Accrual Yield: [ ] per cent <sup>9</sup>	
[Day adjustment basis] <sup>10</sup>		Issue Price: [ ] per cent	
[Calculation Agent: [ ]		[Reference Banks: [ ]	
[Interest Payment Dates: [ ]		[Reference Rate: [EURIBOR] [ ]] <sup>4</sup>	
[Determination Date:[ ]] <sup>11</sup>		[Relevant Screen Page: [ ]] <sup>4</sup>	

<sup>1</sup> Legend to be included on front of the Contractual Terms if any Dealer is a UK entity.

<sup>2</sup> Not less than 1 month and not more than 12 months after the Issue Date.

<sup>3</sup> Complete for fixed rate interest bearing Instruments only.

<sup>4</sup> Complete for floating rate Instruments only.

<sup>5</sup> Not lower than the nominal amount.

<sup>6</sup> Complete for interest bearing Instruments only.

<sup>7</sup> Not before 1 month after the Issue Date.

<sup>8</sup> At least 3 Business Days.

<sup>9</sup> Complete for Zero Coupon Instruments only. The Reference Price shall not be lower than the Issue Price.

<sup>10</sup> Complete for interest bearing Instruments if interest is payable before the Maturity Date.

<sup>11</sup> At least 2 Business Days prior to the beginning of the relevant interest period.

[Relevant Financial Centre: [ ]]<sup>4</sup>

### **Listing and Admission to Trading**

Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., with effect from [ ]]

Estimate of total expenses of admission to trading:

Euro [ ]

### **Yield**

[Indication of yield:]<sup>12</sup>

[ ]

The yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield.

### **Operational Information**

Clearing and Settlement System(s)

Monte Titoli

ISIN:

[ ]

Common Code:

[ ]

### **Tax treatment of the Instruments**

Interest and the other proceeds under the Instruments are subject to the tax regime (*imposta sostitutiva delle imposte sui redditi*) provided by Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

### **Additional Information in relation to the Instruments**

[•]<sup>13</sup>

### **Additional Information in relation to the Issuer**

[•]

[Please also refer to the information relating to Issuer published from time to time on the following website: [•]<sup>14</sup> where the financial information relating to the Issuer is published.]

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<sup>12</sup> Complete for fixed rate Instruments and Zero Coupon Instruments only.

<sup>13</sup> In the event of Green CP, Social CP or Sustainable CP please include additional information.

<sup>14</sup> Website to be provided.

## GENERAL INFORMATION

### Approval of the Programme

The establishment of the Programme was approved and authorised by written resolution of the Board of Directors of the Issuer dated 3 December 2020.

### Clearing and Settlement of the Instruments

The Instruments issued in dematerialised form will be accepted for clearance through Monte Titoli. The relevant Contractual Terms shall specify (i) any other clearing and settlement system as shall have accepted for clearance the relevant Instruments issued in dematerialised form, together with any further appropriate information or (ii) with respect to the Instruments issued in any of the other forms which may be indicated in the relevant Contractual Terms, the indication of the agent through which payments to the holders of the Instruments will be made.

The registered office of Monte Titoli is Monte Titoli S.p.A., Piazza degli Affari 6 – 20123, Milan, Italy.

### Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Instruments of each Series will be specified in the Contractual Terms relating thereto.

### Taxation

This Information Memorandum does not discuss the tax consequences for the investors arising from the investment in the Instruments. Withholding, deduction, stamp taxes (*imposte di bollo*) or other taxes may arise from the investment or as a consequence of the holding, selling or redemption of the Instruments under the tax laws of the Republic of Italy and/or any other relevant jurisdiction. Investors are advised to consult their own professional advisers regarding these possible tax consequences. Investors are liable for their own taxes and have no recourse to the Issuer save as otherwise provided in Condition 11 (*Taxation*) and subject to the exceptions and exclusions set out therein.

### Litigation

Save as disclosed in the "*Description of the issuer - Additional information on the Issuer*" above, the Issuer is not or has not been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

### No significant change and no material adverse change

There has been no significant change in the financial performance or position of the Issuer since 30 June 2021 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020.

### Material contracts

The Issuer has not entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to Instruments' holders.

### Documents available for inspection

For so long as the Programme remains valid with Borsa Italiana or any Instruments is outstanding, copies and, where appropriate, the following documents (translated into English, where applicable), in electronic or physical form, may be obtained by the public during normal business hours at the registered office of the Issuer, namely:

- (a) this Information Memorandum and any supplements to this Information Memorandum (together with any information memorandums published in connection with any future updates in respect of this Information Memorandum) and any other documents incorporated herein or therein by reference;



- (b) a certified copy of the constitutive documents of the Issuer;
- (c) any supplemental agreement prepared and published in connection with the Programme;
- (d) the interim financial statement of the Issuer in respect of the six months period ended 30 June 2021;
- (e) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2020; and
- (f) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2019.

#### **Language of this Information Memorandum**

The language of this Information Memorandum is English. Any foreign language text that is included within this document has been included for clarity purposes and does form part of this Information Memorandum.

#### **Potential Conflicts of Interest of the Dealers**

Certain of the Dealers and/or their affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and/or their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and/or Issuer's affiliates. Certain of the Dealers and/or their affiliates that have a lending relationship with the Issuer and/or its affiliates routinely hedge their credit exposure to the Issuer and/or its affiliates consistent with their customary risk management policies. Typically, such Dealers and/or their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" includes also parent companies.

## SELLING RESTRICTIONS

### General

No action has been taken in any jurisdiction by the Issuer, the Arranger or the Dealers that would permit a public offering of the Instruments, or possession or distribution of this Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it will only acquire Instruments for the purpose of resale and that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Instruments and it will not directly or indirectly offer, sell, resell, reoffer or deliver Instruments or distribute any document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations and none of the Issuer or the Dealers shall have any responsibility therefor. None of the Issuer or the Dealers represents that the Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose hands this Information Memorandum comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Information Memorandum or any other offering material relating to the Instruments, in all cases at their own expense.

### General restrictions

The Instruments can be issued and transferred only in favour of qualified investors pursuant to article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"), which are not, directly or indirectly, shareholders of the Issuer, pursuant to Article 1, paragraph 2-bis, lett. d) of Law 43. For the avoidance of doubt, these restrictions are additional to the restrictions set out below.

### United States of America

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Instruments may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (other than a distributor) and except in transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it has offered and sold, and will offer and sell, Instruments only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act ("**Regulation S**"). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in the United States with respect to the Instruments and that it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has also agreed that (and each further Dealer appointed under the Programme will be required to further represent and agree), at or prior to confirmation of sale of Instruments, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Instruments from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in this paragraph have the meanings given to them by Regulation S.

### Prohibition of sales to EEA Retail Investors

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it has not offered, sold or otherwise made available and will not

offer, sell or otherwise make available any Instrument which is the subject of the offering contemplated by this Information Memorandum as completed by the Contractual Terms to any retail investor in the European Economic Area ("**EEA**"). For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 dated 14 June 2017 (the "**Prospectus Regulation**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

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

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instrument which is the subject of the offering contemplated by this Information Memorandum as completed by the Contractual Terms to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in the UK Prospectus Regulation.
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments; and
- (c) the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 dated 14 June 2017 as it forms part of domestic law by virtue of the EUWA.

### **The United Kingdom**

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) in relation to any Instrument which has a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of the Instruments 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 the Instruments in, from or otherwise involving the United Kingdom.

### Italy

The offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, each of the Dealers has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will not offer, sell or deliver the Instruments or distribute copies of this Information Memorandum or of any other document relating to the Instruments in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter, first paragraph of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time ("**Issuers' Regulation**"), as well as Article 2 of the Prospectus Regulation; and
- (b) in other circumstances where an exemption from the rules governing public offers of securities applies, pursuant to Article 34-ter, first paragraph of the Issuers' Regulation, the applicable Italian laws and Article 1 of the Prospectus Regulation.

Any such offer, sale or delivery of the Instruments or distribution of copies of this Information Memorandum or any other document relating to the Instruments in the Republic of Italy in compliance with the selling restrictions under (a) and (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the "**Italian Banking Act**") (in each case as amended from time to time);
- (ii) in compliance with Article 129 of the Italian Banking Act and the relevant implementing measures; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

**ISSUER**

**Banca di Cividale S.p.A.**  
Via sen. Guglielmo Pelizzo, No. 8-1  
33043 Cividale del Friuli (Udine)  
Italy

**ARRANGER AND DEALER**

**Intesa Sanpaolo S.p.A.**  
Divisione IMI Corporate & Investment Banking  
Via Manzoni, No. 4  
20121 Milan  
Italy

**PAYING AGENT**

**The Bank of New York Mellon SA/NV – Milan Branch**  
Diamantino Building  
Via Mike Bongiorno, No. 13  
20124 Milan  
Italy

**LEGAL ADVISERS**

**TO THE ISSUER**

*as to Italian law*

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Italy

**TO THE ARRANGER AND THE DEALERS**

*as to Italian law*

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