

SUPPLEMENT NO. 1 DATED 18 FEBRUARY 2022 TO THE BASE PROSPECTUS DATED 29 JULY 2021



Banca IFIS S.p.A.

(incorporated as a società per azioni under the laws of the Republic of Italy)

€5,000,000,000

Euro Medium Term Note Programme

This supplement (the “**Supplement**”) is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 29 July 2021 (the “**Base Prospectus**”) prepared by Banca IFIS S.p.A. (the “**Issuer**”) in connection with its Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to €5,000,000,000 in aggregate principal amount of notes (“**Notes**”). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”) as a base prospectus supplement issued in compliance with Article 23 of the Prospectus Regulation and relevant implementing measures in the Republic of Ireland. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Regulation.

The purpose of the publication of this Supplement is to amend, respectively:

- (i) the section “Overview of the Programme” by, respectively (A) amending the paragraph headed “*Status of the Notes*” as set out herein; and (B) replacing in its entirety the paragraph headed “*Denomination of Notes*” with the corresponding new paragraph set out herein;
- (ii) the section “Risk factors” by replacing (A) in its entirety the paragraph headed “*The Issuer may be unable to meet the 2019 business guidances and the 2020/2022 strategic plan*” with the new paragraph headed “*The Issuer may be unable to meet the 2022/2024 strategic plan*” set out herein; (B) in its entirety the paragraph headed “*The Bank Recovery and Resolution Directive may affect Notes*” with the new paragraph set out herein; (C) in its entirety the item (iii) of the paragraph headed “*Senior Non-Preferred Notes – Italian law applicable to the Senior Non-Preferred Notes*” with the following new item set out herein; and (D) in its entirety the paragraph headed “*The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*” with the new paragraph set out herein;
- (iii) the section “Information incorporated by reference” by incorporating by reference certain press releases and documents issued after the publication of the Base Prospectus;
- (iv) the section “Form of Notes”, by replacing in its entirety, respectively, (i) the last paragraphs of the sub-sections headed “*Temporary Global Note exchangeable for Permanent Global Note*” and the last paragraphs

of the sub-sections headed “*Permanent Global Note exchangeable for Definitive Notes*” with the new corresponding paragraphs set out herein;

- (v) the form of Final Terms, by replacing in its entirety the item titled “*6. (a) Specified Denominations*” of Part A in section “Form of Final Terms” with the new item titled “*6. (a) Specified Denominations*” set out herein;
- (vi) the Terms and Conditions for the Italian Law Notes by replacing in its entirety the sentence including the definition of “Agency Agreement for the Italian Law Notes” and by amending Conditions 3 (*Status of Subordinated Notes*) and 4 (*Status of Additional Tier 1 Notes*) as set out herein;
- (vii) the section “History and Development” of the Base Prospectus to reflect the approval of the 2022/2024 strategic plan of the Issuer;
- (viii) certain paragraphs of the section “Taxation” of the Base Prospectus to reflect certain legislative amendments; and
- (ix) the section “General Information”, by replacing in its entirety the paragraph headed “*Significant Material Change*” with the new paragraph headed “*Significant Material Change*” set out herein.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of its knowledge, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect its import.

With effect from the date of this Supplement, each reference in the Base Prospectus to “Base Prospectus” shall be read and construed as a reference to the Base Prospectus as amended and supplemented by this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

This Supplement may only be used for the purposes for which it has been published.

The date of this Supplement is 18 February 2022.

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and supplemented in the manner described herein.

I. OVERVIEW OF THE PROGRAMME

This Supplement has been prepared to amend the section “Overview of the Programme” by, respectively:

- (i) amending the paragraph headed “Status of the Notes”:
 - (a) on page 12, after the sentence “*C) in priority to the claims of shareholders of the Issuer and to the claims of creditors of the Issuer holding instruments that are more subordinated than the Subordinated Notes*”, by incorporating the following new sentence:

“With reference to Italian Law Notes, In the event the Subordinated Notes of any Series do not qualify or cease to qualify, in their entirety, as own funds in the form of Tier 2 Capital, such Subordinated Notes shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Senior Non-Preferred Notes) of the Issuer, *pari passu* among themselves and with the Issuer’s obligations in respect of any other subordinated instruments which have ceased to qualify, in their entirety, as own funds items (*elementi di fondi propri*) and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Subordinated Notes (which have so ceased to qualify, in their entirety, as own funds in the form of Tier 2 Capital) and senior to own fund items (*elementi di fondi propri*).”
 - (b) on page 13, after the sentence “*which securities (in the case of paragraph (B)(i) above) or guarantee or similar instrument (in the case of paragraph (B)(ii) above) rank or are expressed to rank pari passu with the claims described under paragraph (A) above and/ or otherwise junior to the Additional Tier 1 Notes*”, by incorporating the following new sentence:

“In the event the Additional Tier 1 Notes of any Series do not qualify or cease to qualify, in their entirety, as own funds in the form of Additional Tier 1 Capital, such Additional Tier 1 Notes shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Senior Non-Preferred Notes) of the Issuer, *pari passu* among themselves and with the Issuer’s obligations in respect of any other subordinated instruments which have ceased to qualify, in their entirety, as own funds items (*elementi di fondi propri*) and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Additional Tier 1 Notes (which have so ceased to qualify, in their entirety, as own funds in the form of Additional Tier 1 Capital) and senior to own fund items (*elementi di fondi propri*).”
- (ii) replacing in its entirety the paragraph headed “Denomination of Notes” at page 24 with the new following paragraph:

“Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the

relevant Specified Currency and that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 and, in the case of Senior Non-Preferred Notes, €150,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). The minimum denomination of each Subordinated Note or Additional Tier 1 Note will be Euro 200,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).”

II. RISK FACTORS

This Supplement has been also prepared to amend the section “Risk factors” by, respectively:

- (i) replacing in its entirety the paragraph headed “*The Issuer may be unable to meet the 2019 business guidelines and the 2020/2022 strategic plan*” on pages 32 and 33 of the Base Prospectus with the new paragraph headed “*The Issuer may be unable to meet the 2022/2024 strategic plan*” as follows:

“The Issuer may be unable to meet the 2022/2024 strategic plan

On 10 February 2022, the board of directors of the Issuer approved a strategic plan, containing the strategic guidelines and economic, financial and capital objectives of the Group for the period of 2022-2024 (the “**Strategic Plan**”).

The Strategic Plan is based, among other things, on cross-selling opportunities amongst existing and recently acquired products and services offered that may not materialise, as well as numerous assumptions and estimates some of which relate to events not fully controlled by the Board of Directors of the Group. In particular, the Strategic Plan contains a set of assumptions, estimates and predictions that are based on the occurrence of future events and actions to be taken by management and the Board of Directors of the Issuer also after the respective approval, which include, among other things, various hypothetical assumptions subject to risks and uncertainties arising from the current economic environment, relating to future events and actions of directors and the management of the Group that may not necessarily occur, events, actions, and other assumptions including those related to performance of main economic and financial values or other factors that affect their development over which the directors and management of the Group have no (or have limited) control. These assumptions may or may not occur to an extent and at times different from those projected. Furthermore, events may occur which are unpredictable at the time of the approval of the Strategic Plan. Given that the assumptions underlying the Strategic Plan are inherently affected by subjective assessments, hypotheses and discretionary judgments, should one or more of the underlying assumptions fail to materialise (or materialise only in part) or should the actions taken and choices made by management in the implementation of the Strategic Plan produce effects different from those expected, the targets set forth in the Strategic Plan may not be met (or may be met only partially) and the actual results of the Group may differ, possibly significantly, from the estimated results of the Group envisaged in the Strategic Plan with a consequential negative

impact on the business, financial condition and/or results of operations of the Group.”;

- (ii) replacing in its entirety the paragraph headed “*The Bank Recovery and Resolution Directive may affect Notes*” on pages 37 to 39 of the Base Prospectus with the new following paragraph:

“*The Bank Recovery and Resolution Directive may affect Notes*”

As described in “– Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme – Extensive regulation in the banking sector may adversely affect the Issuer’s business” above, the BRRD gives wide powers to governments aimed at addressing banking crises pre-emptively to safeguard financial stability and minimise taxpayers’ exposure to losses. These include the so-called “bail-in tool”, by which resolution authorities would have the power to write down the claims relating to the liabilities of a failing institution that are eligible for bail-in and/or to convert such liabilities into equity. In addition to the bail-in tool, the BRRD provides for additional resolution tools such as (1) the sale of business assets or shares of the entity subject to resolution; (2) the establishment of a bridging organisation; and (3) the separation of the unimpaired assets of the failing organisation from those which are deteriorated or impaired.

The BRRD has required Member States to modify their national insolvency regimes so that deposits of natural persons and micro, small and medium-sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors (as well as unsecured, subordinated creditors), such as holders of the Notes. Furthermore, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, such as holders of corporate deposits or other operating liabilities of the Issuer with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors, as well as unsecured, subordinated creditors (such as holders of the Notes). In this respect, Italian Legislative Decree No. 181/2015 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to liquidation proceedings (and therefore the hierarchy which will apply in order to assess claims pursuant to the safeguard provided for in the BRRD as described above), by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and micro, small and medium-sized enterprises (which benefit from the super-priority required under Article 108 of the BRRD) will benefit from priority over senior unsecured liabilities, though with a ranking which is lower than that provided for individual/ micro, small and medium-sized enterprises deposits exceeding the coverage limit of the deposit guarantee scheme created pursuant to Directive 2014/49/EU.

As a result, significant amounts of liabilities that previously would have ranked *pari passu* with the Senior Notes under the national insolvency regime in Italy will be ranked higher than the Notes in normal insolvency proceedings and, on application of the general bail-in tool, such creditors will be written-down or converted into equity after the Notes, meaning that holders of the Notes will therefore be subject to greater losses than the claims of such other creditors. Furthermore, the right of holders of the Notes have only very limited rights to challenge and/or seek a suspension of any decision by resolution authorities or to have it reviewed by a judicial or administrative process or otherwise.

The measures set out in the BRRD, including the bail-in tool, have already been implemented in Italy, taking effect from 1 January 2016. The powers set out in the BRRD will have a significant

impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As a result, holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in their losing some or all of their investment. In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently or convert into equity capital instruments such as Subordinated Notes at the point of non-viability of the financial institution or the group and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to holders of Subordinated Notes upon any such conversion into equity 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 is the point at which the relevant authority determines that the institution (or group) meets the conditions for resolution (but no resolution action has yet been taken) or that the institution (or group) will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) are written-down or converted or extraordinary public support is to be provided. The exercise of any power under the BRRD or any suggestion of such exercise taking place could, therefore, have a material adverse effect on the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

In addition, on 30 November 2021, Legislative Decree No. 193 of 8 November 2021 (the “**193 Decree**”) implementing the BRRD II was published in the *Gazzetta Ufficiale* and entered into force on 1 December 2021. The 193 Decree introduces point *c-ter*) under Article 91 paragraph 1-*bis*) of the Italian Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Banking Act provides for the following ranking:

- subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items (*elementi di fondi propri*) shall rank senior to own funds items (including any instruments only partly recognized as own funds items (*elementi di fondi propri*)) and junior to senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*);
- if instruments which qualified in whole or in part as own funds items (*elementi di fondi propri*) cease, in their entirety, to be classified as such, they will rank senior to own fund items (*elementi di fondi propri*) but junior to senior non-preferred instruments.

The new provisions will also apply to instruments issued before the 193 Decree came into effect (1 December 2021).

In light of the above, if Subordinated Notes of the Issuer (which qualify or qualified at any time either in whole or in part as Own Funds items) were to be disqualified entirely as Own Funds items in the future, their ranking would improve compared to Subordinated Notes which at the relevant time qualify as Own Funds items (in whole or in part) and would rank *pari passu* with Additional Tier 1 Notes and Subordinated Notes which at the relevant time are not qualified in whole or in part as Own Funds item. In the event of a liquidation or bankruptcy of the Issuer, the Issuer would, inter alia, be required to pay subordinated creditors of the Issuer whose claims rank in priority to the Subordinated Notes, including those whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Subordinated Notes which, at the relevant time, qualify as Own Funds items (in whole or in part). Furthermore, if Subordinated Notes are fully disqualified as Own Funds items, such Notes would not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive

extraordinary financial support in accordance with the EU state aid framework and the BRRD, the burden sharing requirements of such legislation. Please also refer to “– *The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*–” below with reference to Additional Tier 1 Notes.

For a description of the loss absorption requirement, see Conditions 2 (*Status of Senior Notes*), 2A (*Status of Senior Non-Preferred Notes*) and 3 (*Status of Subordinated Notes*) of the Terms and Conditions for the English Law Notes and Conditions 2 (*Status of Senior Notes*), 2A (*Status of Senior Non-Preferred Notes*), 3 (*Status of Subordinated Notes*) and 4 (*Status of Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes, as applicable.”;

- (iii) replacing in its entirety the item (iii) of the paragraph headed “Senior Non-Preferred Notes - Italian law applicable to the Senior Non-Preferred Notes” on page 44 of the Base Prospectus with the following new item:

“(iii) the minimum denomination is at least equal to Euro 150,000;” and

- (iv) replacing in its entirety the paragraph headed “*The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*” on pages 48 and 49 of the Base Prospectus with the new following paragraph:

***“The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*”**

Noteholders should understand that the powers to convert, write-down or cancel the Additional Tier 1 Notes given to resolution authorities pursuant to the rules and regulations described below are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down upon the occurrence of a Contingency Event.

Investors should be aware that, in addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Additional Tier 1 Notes through the application of Non-Viability Loss Absorption. Any shares issued to holders of Additional Tier 1 Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and

temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of Own Funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Additional Tier 1 Notes) contribute to the costs of restructuring.

As a result, the Additional Tier 1 Notes may be subject to a partial or full write-down or conversion to common equity Tier 1 instruments of the Issuer or one of the Group's entities or another institution. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption (or the general bail-in tool) may be applied to the Additional Tier 1 Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, the Additional Tier 1 Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption (or the general bail-in tool) is applied to the Additional Tier 1 Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Additional Tier 1 Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

For as long as the Additional Tier 1 Notes are in global form and in the event that any Write-Down or Write-Up is required pursuant to the Conditions, the records of Euroclear and Clearstream, Luxembourg or any other clearing system of their respective participants' position held in the Additional Tier 1 Notes may not be immediately updated to reflect the amount of Write-Down or Write-Up and may continue to reflect the Prevailing Principal Amount of the Additional Tier 1 Notes prior to such Write-Down or Write-Up, for a period of time. The update process of the relevant clearing system may only be completed after the date on which the Write-Down or Write-Up will occur. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records. Further, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Additional Tier 1 Notes in global form will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

In addition, on 30 November 2021, the 193 Decree implementing the BRRD II was published in the Gazzetta Ufficiale and entered into force on 1 December 2021. The 193 Decree introduces point *c-ter*) under Article 91 paragraph 1-bis) of the Italian Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Banking Act provides for the following ranking:

- subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items (*elementi di fondi propri*) shall rank senior to own funds items (including any instruments only partly recognized as own funds items (*elementi di fondi propri*)) and junior to senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*);
- if instruments which qualified in whole or in part as own funds items (*elementi di fondi propri*)

cease, in their entirety, to be classified as such, they will rank senior to own fund items (*elementi di fondi propri*) but junior to senior non-preferred instruments.

The new provisions will also apply to instruments issued before the 193 Decree came into effect (1 December 2021)

In light of the above, if Additional Tier 1 Notes of the Issuer (which qualify or qualified at any time either in whole or in part as Own Funds items) were to be disqualified entirely as Own Funds items in the future, their ranking would improve compared to Additional Tier 1 Notes and Subordinated Notes which at the relevant time qualify as Own Funds items (in whole or in part) and would rank *pari passu* with Additional Tier 1 Notes and Subordinated Notes which at the relevant time are not qualified in whole or in part as Own Funds item. In the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay subordinated creditors of the Issuer whose claims rank in priority to the Additional Tier 1 Notes, including those whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Additional Tier 1 Notes which, at the relevant time qualify as Own Funds items (in whole or in part). Furthermore, if Additional Tier 1 Notes are fully disqualified as Own Funds items, such Notes would not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive extraordinary financial support in accordance with the EU state aid framework and the BRRD, the burden sharing requirements of such legislation.”.

III. INFORMATION INCORPORATED BY REFERENCE

This Supplement has been also prepared to amend the section “*Information incorporated by reference*” on pages 61 and 62 of the Base Prospectus by incorporating by reference in the Base Prospectus copies of the following press releases and documents in their entirety (save as specified in, respectively, item 10 and paragraph “*Cross reference list*” below):

- (1) the translation into English of certain sections of the Interim Directors’ Report 2021 and the translation into English of the unaudited condensed consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2021 prepared in accordance with IAS 34 and together with the accompanying notes and the English translation of the independent auditors’ review report, included in the consolidated half year report at 30 June 2021, which can be found at <https://www.bancaifis.it/app/uploads/2021/08/Consolidated-Half-Year-Financial-Report-30.06.21.pdf> (the “**Consolidated Half Year Report at 30 June 2021**”);
- (2) press release dated 14 October 2021 (relating to the distribution of dividends by the Issuer for Euro 1.10 per share), which can be found at https://www.bancaifis.it/app/uploads/2021/10/20211014_Banca-Ifis-distributes-the-2019-dividend-of-Euro-1.10-per-share_eng.pdf;
- (3) press release dated 19 October 2021 (relating to the Fitch’s rating upgrade of the subsidiary IFIS Npl Servicing), which can be found at https://www.bancaifis.it/app/uploads/2021/10/20211019_Fitch-upgrades-Ifis-Npl-Servicing-confirmed-as-one-of-the-best-servicers-on-the-market_en.pdf;
- (4) press release dated 3 November 2021 (relating to a record acquisition of Non-Performing Loans from Cerberus for a total of 2.8 billion Euro), which can be found at https://www.bancaifis.it/app/uploads/2021/11/20211103_Banca-Ifis-concludes-its-biggest-

[acquisition-of-NPL_en.pdf](#);

- (5) press release dated 4 November 2021 (relating to the approval by the Board of Directors of the Issuer of results for the first nine months of 2021), which can be found at https://www.bancaifis.it/app/uploads/2021/11/20211104_Banca-Ifis-net-profit-of-802-million-Euro-in-the-first-9-months_Bank-revises-year-end-guidance_en-1.pdf (the “**4 November 2021 Press Release**”);
- (6) the translation into English of the unaudited condensed consolidated interim report of the Issuer at 30 September 2021 which can be found at https://www.bancaifis.it/app/uploads/2021/11/Resoconto-intermedio-di-gestione-consolidato-30-settembre-2021_INGLESE.pdf (the “**9M Consolidated Interim Report**”);
- (7) press release dated 9 December 2021 (relating to two financing agreement with EIB of 50 million each to enable SMEs’ access to green projects financings), which can be found at https://www.bancaifis.it/app/uploads/2021/12/20211209_Banca-Ifis-and-the-EIB-100-million-Euro-in-sustainable-finance-to-support-the-green-projects-of-SMEs_en.pdf;
- (8) press release dated 27 December 2021 (relating to the effectiveness of the resolution to transfer the registered office of La Scogliera S.p.A. to the Canton of Vaud (Lausanne – CH)), which can be found at https://www.bancaifis.it/app/uploads/2021/12/20211227_Banca-Ifis_effectiveness-of-the-resolution-to-transfer-La-Scogliera_en.pdf;
- (9) press release dated 5 January 2022 (relating to the purchase during the 2021 of unsecured non-performing loans for an aggregate nominal amount of Euro 3.7 billion) which can be found at https://www.bancaifis.it/app/uploads/2022/01/20220501_Banca-Ifis-confirms-its-position-as-market-leader_NPLs-acquired-worth-37-billion_EN-1.pdf; and
- (10) press release dated 10 February 2022 (relating to the approval by the Board of Directors of the Issuer of 2021 preliminary results), which can be found at https://www.bancaifis.it/app/uploads/2022/02/20220210_Banca-Ifis-exceeds-targets-and-closes-2021-with-net-profit-up-462-to-1006-million-Euro_en.pdf (the “**10 February 2022 Press Release**”).

Cross-reference list

The following table shows where the information incorporated by reference in the Base Prospectus can be found in, respectively, the Consolidated Half Year Report at 30 June 2021, the 9M Consolidated Interim Report, the 4 November 2021 Press Release and the 10 February 2022 Press Release. Information contained in those documents other than the information listed below does not form part of the Base Prospectus and is either not relevant or covered elsewhere in the Base Prospectus:

- (i) Consolidated Half Year Report at 30 June 2021 - ***unaudited condensed consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2021***

Interim Directors’ Report

Section entitled <i>Highlights</i>	pp. 14-15
Section entitled <i>APM – Alternative Performance Measures</i>	p. 22

Section entitled <i>Contribution of operating segments to Group results – reclassified data</i>	pp. 25-41
Condensed consolidated half-year financial statements	
Consolidated Statement of Financial Position.....	pp. 55-56
Consolidated Income Statement.....	p. 57
Consolidated Statement of Comprehensive Income.....	p. 58
Statement of Changes in Consolidated Equity.....	pp. 59-60
Consolidated Cash Flow Statement.....	p. 61
Reconciliation of Consolidated Cash Flow Statement.....	p. 62
Notes.....	pp. 63-144
Independent Auditors’ review report on the condensed consolidated half-year financial statements	p. 145
(ii) 9M Consolidated Interim Report - <i>Consolidated Interim Report at 30 September 2021</i>	
Interim Directors’ report on the Group	
Section entitled <i>Results and Strategy</i>	pp. 9-14
Section entitled <i>Highlights</i>	pp. 15-16
Section entitled <i>Results by business segments</i>	pp. 17-19
Section entitled <i>Reclassified quarterly evolution</i>	pp. 20-21
Section entitled <i>Group historical data</i>	p. 22
Contribution of operating segments to Group results	
Section entitled <i>The organisational structure</i>	pp. 24-42
Reclassified Financial Statements	
Section entitled <i>Reclassified Consolidated Balance Sheet</i>	pp. 44-45
Section entitled <i>Reclassified Consolidated Income Statement</i>	p. 46
Section entitled <i>Reclassified Consolidated Statement of Comprehensive Income</i>	p. 47
Notes	pp. 49-81
(iii) 4 November 2021 Press Release	
Section entitled Highlights – Reclassified data	pp. 3-10
Reclassified Financial Statements	

Reclassified Consolidated Statement of Financial Position.....	p. 11
Reclassified Consolidated Income Statement.....	p. 12
Own funds and capital adequacy ratios.....	p. 13

(iv) 10 February 2022 Press Release

Section entitled Highlights - Reclassified data	pp. 3-10
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Reclassified Financial Statements

Reclassified Consolidated Statement of Financial Position.....	p. 11
Reclassified Consolidated Income Statement.....	p. 12
Own funds and capital adequacy ratios.....	p. 13

The documents set out above are translated into English from the original Italian. The Issuer has accepted responsibility for the accuracy of such translations.

IV. FORM OF NOTES

- (i) The last paragraph of the sub-section headed “Temporary Global Note exchangeable for Permanent Global Note” of the section “Form of Notes” at page 65 of the Base Prospectus is deleted in its entirety and replaced by the following paragraph:

“Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of (i) a minimum denomination of EUR 100,000, plus (ii) integral multiples of EUR 1,000, provided that such denominations are not less than EUR 100,000 nor more than EUR 199,000 and that Senior Non-Preferred Notes issued under the Programme will have a denomination of at least EUR 150,000 (or, where the Notes are denominated in a currency other than Euro, the equivalent amount in such other currency) and Subordinated Note or Additional Tier 1 Note issued under the Programme will have a denomination of at least EUR 200,000 (or, where the Notes are denominated in a currency other than Euro, the equivalent amount in such other currency). For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Notes. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.”; and

- (ii) the last paragraph of the sub-section headed “Permanent Global Note exchangeable for Definitive Notes” of the section “Form of Notes” at page 66 of the Base Prospectus is deleted in its entirety and replaced by the following paragraph:

“Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of (i) a minimum denomination of EUR 100,000, plus (ii) integral multiples of EUR 1,000, provided that such denominations are not less than EUR 100,000 nor more than EUR 199,000 and that Senior Non-Preferred Notes issued under the Programme will have a denomination of at least EUR 150,000 (or, where the Notes are denominated in a currency other than Euro, the equivalent amount in such other currency) and Subordinated Note or Additional Tier 1 Note issued under the Programme will have a denomination of at least EUR 200,000 (or, where the Notes are denominated in a currency other than Euro, the equivalent amount in such other currency). For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Notes. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.”

V. FORM OF FINAL TERMS

The item titled “6. (a) Specified Denominations” of Part A in section “Form of Final Terms” at page 69 of the Base Prospectus is deleted in its entirety and replaced by the following item:

6 (a) Specified Denominations*: [●]

(Notes must have a minimum denomination of €100,000 (or equivalent). In the case of Senior Non-Preferred Notes, Notes must have a minimum denomination of €150,000 (or equivalent). In the case of Subordinated Notes or Additional Tier 1 Notes, Notes must have a minimum denomination of €200,000 or equivalent.)

(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”

(Notes including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).)

* The minimum denomination of the Senior Non-Preferred Notes will be Euro 150,000 and the minimum denomination of each Subordinated Note or Additional Tier 1 Note will be Euro 200,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).

VI. TERMS AND CONDITIONS FOR THE ITALIAN LAW NOTES

- (i) The sentence including the definition of “Agency Agreement for the Italian Law Notes” in section “Terms and Conditions for the Italian Law Notes” at page 123 of the Base Prospectus is deleted in its entirety and replaced by the following new sentence:

“The Notes and the Coupons (as defined below) have the benefit of an agency agreement dated 29 July 2021 (as amended on 18 February 2022 and as further amended and/or restated, and/or supplemented from time to time, the “Agency Agreement for the Italian Law Notes” or the “Agency Agreement”) made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent (the “Agent”, which expression shall include any additional or successor issuing and principal paying agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).”

- (ii) Condition 3 (*Status of Subordinated Notes*) in section “Terms and Conditions for the Italian Law Notes” at page 125 of the Base Prospectus are amended by inserting the following new sentence after the item (iii):

“In the event the Subordinated Notes of any Series do not qualify or cease to qualify, in their entirety, as own funds in the form of Tier 2 Capital, such Subordinated Notes shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Senior Non-Preferred Notes) of the Issuer, *pari passu* among themselves and with the Issuer’s obligations in respect of any other subordinated instruments which have ceased to qualify, in their entirety, as own funds items (*elementi di fondi propri*) and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Subordinated Notes (which have so ceased to qualify, in their entirety, as own funds in the form of Tier 2 Capital) and senior to own fund items (*elementi di fondi propri*).”

- (iii) Condition 4 (*Status of Additional Tier 1 Notes*) in section “Terms and Conditions for the Italian Law Notes” at page 126 of the Base Prospectus are amended by inserting the following new sentence after the item (iii):

“In the event the Additional Tier 1 Notes of any Series do not qualify or cease to qualify, in their entirety, as own funds in the form of Additional Tier 1 Capital, such Additional Tier 1 Notes shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Senior Non-Preferred Notes) of the Issuer, *pari passu* among themselves and with the Issuer’s obligations in respect of any other subordinated instruments which have ceased to qualify, in their entirety, as own funds items (*elementi di fondi propri*) and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Additional Tier 1 Notes (which have so ceased to qualify, in their entirety, as own funds in the form of Additional Tier 1 Capital) and senior to own fund items (*elementi di fondi propri*).”

VII. HISTORY AND DEVELOPMENT

On page 180 of the Base Prospectus, the section “History and Development” is hereby amended by inserting the following new sentence at the end of that section:

“On 10 February 2022, the board of directors of the Issuer approved a strategic plan, containing the strategic guidelines and economic, financial and capital objectives of the Group for the period of 2022-2024.

VIII. TAXATION

On pages 199 and 200 of the Base Prospectus, the fourth sub-paragraph under the paragraph headed “Italian Resident Noteholders” is hereby replaced in its entirety as follows:

“Subject to certain limitations and requirements (including a minimum holding period), Interest in respect of Notes issued by the Issuer that qualify as *obbligazioni* or *titoli similari alle obbligazioni*, including Notes intended to qualify as Tier II Capital for regulatory capital purposes, received by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant (i) to Article 1, paragraphs 100 – 114, of Law No. 232 of 11 December 2016 (“**Law No. 232**”) and to Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018 (“**Law No. 145**”), as implemented by the Ministerial Decree 30 April 2019 as further amended by Article 1, paragraph 26 of Law No. 234 of 30 December 2021 (“**Law No. 234**”) as from 1 January 2022 and (ii), and, for long-term savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124 of 26 October 2019 (“**Law Decree No. 124**”), converted into Law with amendments by Law No. 157 of 19 December 2019, as amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 (“**Law Decree No. 34**”), converted into Law with amendments by Law No. 77 of 17 July 2020, by Article 68 of Law Decree No. 104 of 14 August 2020 (“**Law Decree No. 104**”), converted into Law with amendments by Law No. 126 of 13 October 2020 and by Article 1, paragraph 27 of Law No. 234.”.

On page 201 of the Base Prospectus, the last sub-paragraph under the paragraph headed “Italian Resident Noteholders” is hereby replaced in its entirety as follows:

“Where a Noteholder is an Italian resident pension fund subject to the regime provided for by Article 17 of Decree No. 252 and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva* but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 and to Article 1, paragraphs 210 – 215, of the Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and, for long-term savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234.”

On pages 202 and 203 of the Base Prospectus, the last sub-paragraph under the paragraph headed “Atypical securities” is hereby replaced in its entirety as follows:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not

falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) and qualify as *titoli atipici* (“atypical securities”) pursuant to Article 5 of Decree No. 512, including Notes intended to qualify as Tier II Capital for regulatory capital purposes, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 -114 of Law No. 232 and to Article 1, paragraphs 211 – 215, of the Law No. 145 , as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and, for long-term savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234.”

On pages 203 and 204 of the Base Prospectus, the fifth sub-paragraph under the paragraph headed “Capital Gains - Italian resident Noteholders” is hereby replaced in its entirety as follows:

“Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 and to Article 1, paragraphs 211 – 215, of the Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and, for long-term savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234. According to Article 1 (219-226) of Law 30 December 2020, No. 178, as supplemented by Article 1 (912) of Law No. 234, under certain conditions, if the Notes are included in a long-term savings account that meets specific requirements, capital losses realised upon sale or redemption of the Notes give rise to a tax credit amounting to the lower of the capital losses and (i) the 20% of the amount invested in the long-term saving accounts for investments made by 2021 or (ii) the 10% for investments made by 2022.”

On page 204 of the Base Prospectus, the eight sub-paragraph under the paragraph headed “ Capital Gains - Italian resident Noteholders” is hereby replaced in its entirety as follows:

“Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 and to Article 1, paragraphs 210 – 215, of Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and, for long-term savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234. According to Article 1 (219-226) of Law 30 December 2020, No. 178, as supplemented by Article 1 (912) of Law No. 234, under certain conditions, if the Notes are included in a long-term savings account that meets specific requirements, capital losses realised upon sale or redemption of the Notes give rise to a tax credit amounting to the lower of the capital losses and (i) the 20% of the amount invested in the long-term saving accounts for investments made by 2021 or (ii) the 10% for

investments made by 2022.”.

On page 205 of the Base Prospectus, the last sub-paragraph under the paragraph headed “Inheritance and gift tax” is hereby replaced in its entirety as follows:

“The mortis causa transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth in Article 1, paragraphs 100 - 114 of Law No. 232 and Article 1, paragraphs 211 – 215 of Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and, for long-term savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, under Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234, are exempt from inheritance taxes.”

IX. GENERAL INFORMATION

On page 212 of the Base Prospectus, the paragraph headed “Significant Material Change” is hereby replaced in its entirety as follows:

“Significant Material Change

Since 31 December 2020 there has been no material adverse change in the prospects of the Issuer and its Group and, since 30 September 2021 there has been no significant change in the financial position or performance of the Issuer and its Group.”

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Copies of this Supplement and of the abovementioned press releases, each incorporated by reference in this Supplement, may be inspected in electronic format during normal business hours at the specified office of each Paying Agent and will be electronically available for viewing on the Issuer’s website (www.bancaifis.it).