

Warning: the final Aggregate Nominal Amount will be known once the Offer Period is closed. The results of the offer of the Notes and the final Aggregate Nominal Amount will be published as soon as possible after the closing of the Offer Period on the following website: <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>. For the avoidance of doubt, all the other terms and conditions are and will remain as disclosed in the below Final Terms.

Final Terms dated October 12, 2023

International Bank for Reconstruction and Development

Issue of up to EUR 100,000,000 Callable Fixed Rate Notes due November 17, 2028 (the “Notes” or “Obbligazioni Banca Mondiale Tasso Fisso Callable 17 Novembre 2028 in EUR”)

under the

Global Debt Issuance Facility

The Prospectus dated September 24, 2021 referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any person making or intending to make an offer of the Notes may only do so in:

- (i) circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus or to distribute the Prospectus or any amendment or supplement thereto issued in connection with the offering of any of the Notes or any other offering material, or in any jurisdiction where there are no requirements for such purpose to be complied with; or
- (ii) the Offer Jurisdiction mentioned in the Terms and Conditions of the Offer set out below, provided such person is one of the persons mentioned in the Terms and Conditions of the Offer set out below (the “**Authorised Offerors**” or “**Distributors**”) and that such offer is made during the Offer Period specified for such purposes therein.

Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated September 24, 2021 (the “**Prospectus**”).

THIS DOCUMENT CONSTITUTES THE FINAL TERMS OF THE NOTES DESCRIBED HEREIN AND MUST BE READ IN CONJUNCTION WITH SUCH PROSPECTUS.

NONE OF THE OFFER IN ITALY, THE PROSPECTUS AND THIS DOCUMENT OR ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE OFFER IN ITALY HAVE BEEN OR WILL BE SUBMITTED TO THE CLEARANCE PROCEDURES OF THE COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (“CONSOB”) PURSUANT TO APPLICABLE ITALIAN LAWS AND REGULATIONS. THE OFFER IS BEING CARRIED OUT IN THE REPUBLIC OF ITALY AS EXEMPTED OFFER PURSUANT TO ARTICLE 1(4)(C) OF REGULATION (EU) 2017/1129 (THE “**PROSPECTUS REGULATION**”) AND ARTICLE 100(1)(D) OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 AS AMENDED (THE “**ITALIAN FINANCIAL SERVICES ACT**”) (THE “**OFFER**”); THEREFORE, THE PROSPECTUS DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF THE PROSPECTUS REGULATION AND IMPLEMENTING LAWS AND REGULATIONS IN ITALY.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT OF THE INVESTMENT AND MAY INVEST IN THE NOTES DURING THE OFFER PERIOD THROUGH THE DISTRIBUTORS AND IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OR WITH REQUIREMENTS IMPOSED BY CONSOB, OR ANY OTHER ITALIAN AUTHORITY. EACH DISTRIBUTOR MUST

COMPLY WITH THE APPLICABLE LAWS AND REGULATIONS CONCERNING, *INTER ALIA*, PRODUCT GOVERNANCE AND INFORMATION DUTIES VIS-À-VIS ITS CLIENTS IN CONNECTION WITH THE NOTES AND THE OFFER IN ITALY.

MiFID II product governance / Retail clients, professional clients and ECPs target market – See Term 30 below.

SUMMARY OF THE NOTES

1. Issuer: International Bank for Reconstruction and Development (“**IBRD**”)
2. (i) Series number: 101836
(ii) Tranche number: 1
3. Specified Currency or Currencies (Condition 1(d)): Euro (“**EUR**”)
4. Aggregate Nominal Amount
(i) Series: Up to EUR 100,000,000, subject to increase as set forth under “Terms and Conditions of the Offer—(xi) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made” below.

The final Aggregate Nominal Amount of the Series will be published as soon as possible after the closing of the Offer Period on the following website: <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.
(ii) Tranche: Up to EUR 100,000,000, subject to increase as set forth under “Terms and Conditions of the Offer—(xi) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made” below.

The final Aggregate Nominal Amount of the Series will be published as soon as possible after the closing of the Offer Period on the following website: <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.
5. (i) Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
(ii) Net Proceeds: Means the Aggregate Nominal Amount, as determined after the closing of the Offer Period
6. Specified Denominations (Condition 1(b)): EUR 1,000
7. Issue Date: November 17, 2023
8. Maturity Date (Condition 6(a)): November 17, 2028

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| 9. | Interest basis (Condition 5): | Fixed Rate
(further particulars specified below) |
| 10. | Redemption/Payment basis
(Condition 6): | Redemption at par |
| 11. | Change of interest or
redemption/payment basis: | Not Applicable |
| 12. | Call/Put Options (Condition 6): | Call Option
(further particulars specified below) |
| 13. | Status of the Notes (Condition 3): | Unsecured and unsubordinated |
| 14. | Listing: | Application will be made by the Dealer for the Notes to be admitted to listing and to trading on the Euronext Milan regulated market, EuroMOT segment, managed by Borsa Italiana S.p.A.

No assurances can be given that such application for listing and admission to trading will be granted. |
| 15. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note provisions
(Condition 5(a)): | Applicable |
| | (i) Rate(s) of Interest: | A fixed rate of interest per annum to be determined as set out under Term 16(iv) below, payable quarterly in arrear |
| | (ii) Interest Payment Date(s): | February 17, May 17, August 17 and November 17 in each year, from and including February 17, 2024 to and including the Maturity Date, not subject to adjustment in accordance with a Business Day Convention |
| | (iii) Interest Period Date(s): | Each Interest Payment Date |
| | (iv) Business Day Convention: | Not Applicable |
| | (v) Day Count Fraction
(Condition 5(l)): | Actual/Actual (ICMA) |
| | (vi) Other terms relating to the
method of calculating
interest for Fixed Rate
Notes: | The Notes will bear interest at an annual rate that will be determined after the closing of the Offer Period and disclosed to the public through a notice to be published on the following website: https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896 as soon as possible after the closing of the Offer Period.

The annual rate of interest to be determined will be no less than 3.00 per cent. per annum. |

PROVISIONS RELATING TO REDEMPTION

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| 17. | Call Option (Condition 6(d)): | Applicable |
| | (i) Optional Redemption
Date(s): | November 17, 2025 |

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| (ii) | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | EUR 1,000 per Specified Denomination |
| (iii) | Notice period: | Not less than five (5) London, New York and TARGET Business Days prior to the relevant Optional Redemption Date |
| 18. | Final Redemption Amount of each Note (Condition 6): | EUR 1,000 per Specified Denomination |
| 19. | Early Redemption Amount (Condition 6(c)): | As set out in the Conditions |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 20. | Form of Notes (Condition 1(a)): | Registered Notes:
Global Registered Certificate available on Issue Date |
| 21. | New Global Note / New Safekeeping Structure: | Yes – New Safekeeping Structure |
| 22. | Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): | London, New York and TARGET |
| 23. | Governing law (Condition 14): | English |
| 24. | Additional Risk Factors: | AN INVESTMENT IN THE NOTES IS SUBJECT TO THE RISKS DESCRIBED BELOW, AS WELL AS THE RISKS DESCRIBED UNDER “RISK FACTORS” IN THE ACCOMPANYING PROSPECTUS. INVESTORS SHOULD CAREFULLY CONSIDER WHETHER THE NOTES ARE SUITED TO THEIR PARTICULAR CIRCUMSTANCES. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSULT THEIR FINANCIAL AND LEGAL ADVISERS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN THE NOTES AND THE SUITABILITY OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES. |

Suitability and appropriateness of Investment

An investment in the Notes is only suitable and appropriate for investors who have the requisite knowledge and experience in financial and business matters to evaluate the information contained in the Prospectus and the Final Terms, who have made their own independent decision to invest in the Notes and as to whether the Notes are suitable and appropriate for them, and who are capable of bearing the economic risk of an investment in the Notes.

Reinvestment risk

The term of the Notes may be shortened due to the Optional Redemption feature of the Notes. If the Notes are redeemed prior to the Maturity Date by the Issuer, no further interest payments will be made and Noteholders may be forced to

invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

The market price of the Notes may be influenced by many factors

The Notes are not designed to be short-term trading instruments. Many factors, most of which are beyond IBRD's control, will influence the value of the Notes and the price at which the Dealer may be willing to purchase or sell the Notes in the secondary market, including: interest and yield rates in the market, economic, financial, political and regulatory or judicial events that affect the stock markets generally and which may affect the time remaining to the maturity of the Notes and IBRD's creditworthiness. Some or all of these factors may influence the price that Noteholders will receive if they choose to sell their Notes prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors.

25. Other final terms: The first sentence of Condition 7(a)(ii) is hereby replaced by the following: "Interest (which for the purpose of this Condition 7(a) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the calendar day before the due date for payment thereof (the "**Record Date**")."

The Annex hereto is to be read in conjunction with and forms part of the Prospectus and these Final Terms.

DISTRIBUTION

26. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable
- (ii) Stabilizing Manager(s) (if any): Not Applicable
27. If non-syndicated, name of Dealer: BNP Paribas, with its head office at 16, boulevard des Italiens, 75009, Paris, France, which, for the purpose of the issue of the Notes will act as Dealer and settlement facilitator. For the avoidance of doubt, the Dealer will not act as Distributor of the Notes.
28. Total commission and concession: The Issuer will not pay any commission for the offering of the Notes. For more information on the commissions, see "Offer Price" under "Terms and Conditions of the Offer" set forth below.
29. Additional selling restrictions: With respect to offering of the Notes, the first sentence of "Sales Restrictions" appearing under Plan of Distribution on

page 59 of the Prospectus shall be deleted and replaced with the following sentence:

“Save in respect of the Offer Jurisdiction, no action has been or will be taken by the Issuer or the Dealer that would permit a public offering of any of the Notes, or that would give rise to an obligation for the Issuer or the Dealer to publish a prospectus or to distribute the Prospectus or any amendment or supplement thereto issued in connection with the offering of any of the Notes or any other offering material, in any such jurisdiction where there are requirements for such purpose to be complied with.”

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation. The Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

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

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations; and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

30. MiFID II product governance / Retail clients, professional clients and ECPs target market:

Directive 2014/65/EU (as amended, “MiFID II”) product governance / Retail clients, professional clients and ECPs target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate except for pure execution services. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, each distributor subject to MiFID II is responsible for undertaking its own target market assessment

in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

For the purposes of this Term 30, "manufacturer" means the Dealer.

IBRD does not fall under the scope of application of MiFID II. Consequently, IBRD does not qualify as an "investment firm", "manufacturer" or "distributor" for the purposes of MiFID II.

OPERATIONAL INFORMATION

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| 31. Legal Entity Identifier of the Issuer: | ZTMSNXROF84AHWJNKQ93 |
| 32. ISIN Code: | XS2702860896 |
| 33. Common Code: | 270286089 |
| 34. Delivery: | Delivery versus payment |
| 35. Registrar and Transfer Agent (if any): | Citibank, N.A., London Branch |
| 36. Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper or registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. |

GENERAL INFORMATION

The following documents of IBRD are incorporated by reference in these Final Terms: (i) Global Debt Issuance Facility Prospectus dated September 24, 2021 (the "**Prospectus**") and (ii) IBRD's most recent Information Statement dated October 2, 2023. These documents have been filed with the U.S. Securities and Exchange Commission ("**SEC**") and are available on the SEC's website as well as on the following website of IBRD: <http://treasury.worldbank.org/cmd/htm/index.html>. Alternatively, to obtain copies of these documents, contact one of the Authorized Offerors (as defined below) or your financial advisor.

During the Offer Period the Notes will be offered to investors in Italy as more fully described below under "Terms and Conditions of the Offer".

CONFLICT OF INTEREST

The Distributors will receive a commission for the distribution investment service performed in the context of the Offer. Furthermore, Banca Nazionale del Lavoro S.p.A., one of the Distributors, belongs to the same banking group as BNP Paribas. The fact that the Distributors receive distribution commissions create potential conflicts of interest.

The Dealer has undertaken to subscribe for a minimum amount of Notes equal to EUR 5,000,000 under the Terms Agreement entered into on October 12, 2023 by the Dealer and the Issuer (the "**Terms Agreement**"), irrespective of the outcome of the Offer.

In addition, the Dealer will be IBRD's counterparty in a related swap transaction entered into by IBRD in order to hedge its obligations under the Notes. The existence of such multiple roles and responsibilities for the Dealer creates possible conflicts of interest. All amounts payable under the related swap transaction are expected, as of the Issue Date, to be calculated on the same basis as the amounts payable by IBRD under the Notes. The Noteholder understands that although IBRD will enter into the related swap transaction with the Dealer as swap counterparty in order to hedge its obligations under the Notes, IBRD's rights and obligations under the related swap transaction will be independent of its rights and obligations under the Notes, and Noteholders will have no interest in the related swap transaction or any payment to which IBRD may be entitled thereunder.

The Dealer and its affiliates, including certain Distributors, in the ordinary course of business have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including the provision of loan facilities in a significant amount) and other related transactions with, and may perform advisory, financial and/or non-financial services for, the Issuer. In addition, in the ordinary course of business the Dealer and its affiliates, including certain Distributors, may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments 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. The Dealer and its affiliates, including certain Distributors, 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.

The existence of such multiple roles and responsibilities for the Dealer creates possible conflicts of interest, considering that the Dealer will receive commissions for all the roles assumed in the bond issuance.

TERMS AND CONDITIONS OF THE OFFER

The Issuer has agreed to allow the use of these Final Terms and the Prospectus by the Dealer and by any entities appointed as distributors by the Dealer (the “**Distributors**” or the “**Authorised Offerors**”) in connection with an offering of the Notes in Italy (the **Offer Jurisdiction**) during the Offer Period (as defined below). The list of the Distributors is published on the following website: <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896> on the date of these Final Terms.

The Offer is conducted in Italy only and is addressed to the public at large.

Qualified Investors, as defined for by article 100 of the Italian Legislative Decree No. 58/1998 as amended from time to time, as implemented by art. 35, paragraph 1, lett. (d) of CONSOB Regulation No. 20307/2018 as amended from time to time, can only acquire the Notes in the framework of the Offer of the Notes if, and to the extent that, the Total Amount of the Offer has not been exhausted by requests from the public at large.

During the Offer Period (as defined below), the Notes will be distributed without any underwriting commitment by the Distributors, pursuant to certain distribution agreements between the Dealer and the Distributors. On the Issue Date, the Notes will be subscribed for by the Dealer acting as principal and then assigned by the Distributors in the context of the Offer of the Notes.

The Dealer has undertaken to subscribe for a minimum amount of Notes equal to EUR 5,000,000 under the Terms Agreement irrespective of the outcome of the Offer of the Notes, save in the case of withdrawal of the Offer and cancellation of the issuance of the Notes as provided for by clause (iii) below. No undertakings have been made by the Distributors or third parties to guarantee the outcome of the Offer of the Notes in connection of any minimum amount of the Notes.

The Offer of the Notes will be made only in accordance with the selling restrictions set forth in the Prospectus and the provisions of these Final Terms and in compliance with all applicable laws and regulations, provided that no such Offer of Notes shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 1 of

Prospectus Regulation (or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation) or to take any other action in any jurisdiction other than as listed above.

(i) Offer Period: *Offices/premises of the Distributors*

The Notes will be distributed at the offices (*filiali*) of the Distributors from and including October 16, 2023, at 9.00 am CET time to and including November 10, 2023, at 5 pm CET time, subject to any early termination or extension of the Offer Period or cancellation of the issuance of the Notes, as described under (iii) below.

Door-to-door selling

The Notes may also be distributed through door-to-door selling by means of financial advisors authorized to make off-premises offers (*consulenti finanziari autorizzati all'offerta fuori sede*) pursuant to Article 30 of the Italian Financial Services Act from and including October 16, 2023, at 9.00 am CET time to and including November 3, 2023, at 5 pm CET time, subject to any early termination or extension of the Offer Period as described under paragraphs (iii) below.

Distance communication techniques

The Notes may be also distributed through long distance selling techniques (*tecniche di comunicazione a distanza*) pursuant to article 32 of the Italian Financial Services Act and Article 67-*duodecies*, paragraph 4 of Italian Legislative Decree No. 206 of 6 September 2005, as amended (the "**Italian Consumer Code**") from and including October 16, 2023, at 9.00 am CET time to and including October 27, 2023, at 5 pm CET time, subject to any early termination or extension of the Offer Period or cancellation of the issuance of the Notes as described under paragraphs (iii) below.

(ii) Offer Price: The Issue Price, which is equal to 100 per cent. of the Specified Denomination of each Note.

The Offer Price includes, per Specified Denomination, an upfront commission for the distribution and promotion of the Notes paid by the Dealer to the Distributors, equal to a maximum amount of 0.7 per cent. (including VAT, if any) of the Specified Denomination of the Notes distributed by each Distributor.

Investors should take into account that if the Notes are sold on the secondary market after the Offer Period, the above-mentioned commission included in the Offer Price is not taken into consideration in determining the price at which such Notes may be sold in the secondary market.

(iii) Early termination, extension, withdrawal and cancellation: The Issuer reserves the right, in agreement with the Dealer, to terminate the Offer Period early at any time, also in

circumstances where subscription for the Notes is not yet equal to the Total Amount of the Offer. The Issuer will inform the public of the early termination of the Offer Period by means of a notice to be published on the website <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.

The Issuer reserves the right, in agreement with the Dealer, to revoke/withdraw the Offer and cancel the issuance of the Notes at any time prior to the Issue Date and if so, no Notes will be issued. The Issuer will inform the public of the withdrawal of the offer of the Notes and the cancelation of the issuance of the Notes by means of a notice to be published on the website <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.

For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, all subscription applications will become void and of no effect without further notice and each such potential investor shall not be entitled to subscribe for or otherwise acquire the Notes.

The Issuer reserves the right, in agreement with the Dealer, to extend the Offer Period. The Issuer will inform the public of the extension of the Offer Period by means of a notice to be published on the website <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.

For the avoidance of doubt, any early termination or extension of the Offer Period shall also be effective, unless otherwise stated in the relevant notice(s), in respect of the offering period for collection of subscription of the Notes through door-to-door selling and long distance selling techniques.

(iv) Conditions to which the offer is subject:

The offer of the Notes is conditional on their issue.

The final amount of the Notes issued will be determined by the Issuer in light of prevailing market conditions and in its sole and absolute discretion.

(v) Description of the application process:

A prospective investor will purchase the Notes in accordance with the arrangements in place between the relevant Distributor and its customers, relating to the subscription/purchase of securities generally. Prospective investors will not enter into any contractual arrangements directly with the Issuer or the Dealer in connection with the offer or purchase of the Notes.

Prospective investors may apply to subscribe for the Notes during the Offer Period. In particular:

Subscription at the offices (filiali) of the Distributors

During the Offer Period, prospective investors may apply for the subscription of the Notes during normal Italian banking hours at the offices (*filiali*) of any Distributor by filling in, duly executing (also by appropriate attorneys) and delivering a specific acceptance form (the "**Acceptance Form**") from and including October 16, 2023, at 9.00 am CET time to and including November 10, 2023, at 5 pm CET time, subject to any early termination or extension of the Offer Period or cancellation of the issuance of the Notes, as described under (iii) above. Acceptance Forms are available at each Distributor's office.

Any application shall be made in Italy to the Distributors.

Door-to-door selling

The Notes may also be distributed by the Distributors through door-to-door selling pursuant to Article 30 of the Italian Financial Services Act from and including October 16, 2023, at 9.00 am CET time to and including November 3, 2023, at 5 pm CET time, subject to any early termination or extension of the Offer Period as described under paragraphs (iii) above.

Distributors intending to distribute Notes through door-to-door selling pursuant to article 30 of the Italian Financial Services Act will collect the Acceptance Forms through financial advisors authorized to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*) pursuant to Article 31 of the Italian Financial Services Act.

Pursuant to Article 30, paragraph 6, of the Italian Financial Services Act, the validity and enforceability of contracts entered into through door-to-door selling is suspended for a period of 7 (seven) days beginning on the date of subscription by the relevant investor.

Within such period investors may notify the relevant Distributor and/or financial advisor of their withdrawal without payment of any charge or commission.

Long distance selling techniques

The Notes may also be distributed by the Distributors through long distance selling techniques (*tecniche di comunicazione a distanza*) pursuant to Article 32 of the Italian Financial Services Act and Article 67-duodecies, paragraph 4 of the Italian Consumer Code from and including October 16, 2023, at 9.00 am CET time to and including October 27, 2023, at 5 pm CET time, subject to any early termination or extension of the Offer Period or cancellation of the issuance of the Notes as described under paragraphs (iii) above.

In respect of subscription of the Notes made by means of long distance selling techniques (*tecniche di comunicazione a distanza*), an investor classified as a consumer ("*Consumatore*") for the purposes of the Italian Consumer Code is entitled to a 14 (fourteen) day period in which it can withdraw from the agreement without penalty and without giving any reason.

Within such terms, the effects of the subscription agreements will be suspended and the investor can withdraw by means of a notice to the Distributor without any expenses or other fees.

General

There is no limit to the number of Acceptance Forms which may be filled in and delivered by the same prospective investor with the same or different Distributor, without prejudice to the circumstance that for the purposes of the allotment each applicant will be considered individually, independently of the number of Acceptance Forms delivered.

Companies providing investment portfolio management services through nominee registration (*società fiduciarie autorizzate alla gestione patrimoniale di portafogli d'investimento mediante intestazione fiduciaria*) as per article 60, paragraph 4, of Legislative Decree No. 415 of 23 July 1996, in order to participate in the Offer solely on behalf of their clients, must complete the relevant acceptance form for each client by entering the client's fiscal code in the appropriate box.

Investors may also submit their applications to participate in the offer of the Notes through parties authorised to perform individual investment portfolio management services pursuant to Italian Financial Services Act, provided that these parties sign the Acceptance Form in the name and on behalf of the applicant, and through intermediaries authorised to receive and transmit orders, pursuant to the Italian Financial Services Act, at the conditions provided for by Italian laws and regulations from time to time applicable.

Without prejudice to the provisions applicable to the placement of the Notes, through door-to-door selling and long distance communication techniques as specified above, the subscription application cannot be revoked by the potential investors.

Applicants having no client relationship with the Distributor with whom the Acceptance Form is filed may be required to open a current account or to make a temporary non-interest bearing deposit of an amount equal to the price of the Notes requested, calculated on the basis of the Offer Price of the Notes. In the event that the Notes are not allotted or only partially allotted, the total amount paid as a temporary deposit, or any difference with the price of the Notes allotted, will be repaid to the applicant without interest by the Issue Date.

Each Distributor is responsible for the notification of any withdrawal right applicable in relation to the offer of the Notes to potential investors.

The Notes may be purchased in a Minimum Lot or an integral number of Notes greater than the Minimum Lot.

By subscribing for the Notes, the holders of the Notes are deemed to have knowledge of all the terms and conditions of the Notes and to accept such terms and conditions of the Notes.

- Applications received by the Distributors prior to the start of the Offer Period or after the closing date of the Offer Period, will be considered as not having been received and will be void.
- (vi) Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest): Without prejudice to the provisions of clause (iii) above regarding the withdrawal of the offer and cancellation of the issuance of the Notes, the Notes will be issued for a minimum amount of EUR 5,000,000 based on the underwriting commitment of the Dealer under the Terms Agreement — up to a maximum amount of EUR 100,000,000 based on the decision of the Issuer and on the demand from the prospective investors (the “**Total Amount of the Offer**”).
- The Issuer reserves the right, in agreement with the Dealer, to increase the Total Amount of the Offer during the Offer Period. The Issuer will inform the public of the size increase by means of a notice to be published on the website <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.
- Minimum purchase amount per investor: EUR 1,000 (the “**Minimum Lot**”).
- Maximum purchase amount of the Notes to be applied for by each investor is the Total Amount of the Offer.
- (vii) Method and time limits for paying up the Notes and for delivery of the Notes: The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.
- The settlement and the delivery of the Notes as between the Issuer and the Distributors will be executed through the Dealer.
- Each prospective investor will be notified by the relevant Distributor of the settlement arrangement in respect of the Notes at the time of such investor’s application and payment for the Notes shall be made by the investor to the relevant Distributor in accordance with arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally.
- The Notes are estimated to be delivered to the subscribers’ respective book-entry securities account on or around the Issue Date.
- (viii) Manner and date in which results of the offer are to be made public: The results of the offer of the Notes will be published as soon as possible on the website <https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896>.
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

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|--------|---|--|
| (x) | Details of any tranche(s) reserved for certain countries: | Not Applicable |
| (xi) | Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: | <p>Applicants will be notified directly by the Distributor of the success of their application and amount allotted.</p> <p>Subscription applications will be accepted until the Total Amount of the Offer is reached during the Offer Period. In the event that the requests exceed the Total Amount of the Offer during the Offer Period, the Issuer, in agreement with the Dealer, will terminate the Offer Period early and suspend the acceptance of further requests.</p> <p>In any case, the Issuer reserves the right, in agreement with the Dealer, to proceed to increase the size of the Offer.</p> <p>There are no pre-identified allotment criteria. In the event that, notwithstanding the above, the total amount of Notes requested to be subscribed for exceed the Total Amount of the Offer, the Distributors will allot the Notes in a transparent manner that ensures equal treatment amongst all potential subscribers.</p> <p>Qualified Investors, as defined for by article 100 of the Italian Legislative Decree No. 58/1998 as amended from time to time, as implemented by art. 35, paragraph 1, lett. (d) of CONSOB Regulation No. 20307/2018 as amended from time to time, can only acquire the Notes in the framework of the Offer of the Notes if, and to the extent that, the Total Amount of the Offer has not been exhausted by requests from the public at large.</p> <p>Each Distributor will notify applicants of amounts allotted immediately after the publication of the notice mentioned in paragraph (viii) above and, in any event, before the Issue Date. No dealings in the Notes may take place prior to the Issue Date.</p> |
| (xii) | Amount of any expenses and taxes specifically charged to the Noteholders: | <p>(A.) Selling and distribution commissions: see above paragraph (ii).</p> <p>(B.) Administrative and other costs relating to the holding of the Notes (service fees, custodians fees, brokerage fees, financial services etc.): prospective purchasers are invited to check those costs with their financial intermediary.</p> |
| (xiii) | Name(s) and address(es), to the extent known to the Issuer, of the Distributors in the various countries where the offer takes place: | The list of the Distributors is published on the following website: https://investimenti.bnpparibas.it/prodotti-di-investimento/obbligazioni/obbligazioni-world-bank/XS2702860896 on the starting date of the Offer Period. |

LISTING APPLICATION

Application will be made by the Dealer for the Notes to be admitted to listing and to trading on the Euronext Milan regulated market, EuroMOT segment, managed by Borsa Italiana S.p.A. The Issuer is not a sponsor of, nor is it responsible for, the admission to listing and trading of the Notes on the Euronext Milan regulated market, EuroMOT segment and no assurance can be given that any such application will be successful.

RESPONSIBILITY

IBRD accepts responsibility for the information contained in these Final Terms.

Signed on behalf of IBRD:

By:



.....
Name:

Title:

Duly authorized



Mahendra Singh
Senior Financial Officer
World Bank Treasury

ANNEX

This Annex is to be read in conjunction with and forms part of the Prospectus and the Final Terms. Although there is no legal obligation whatsoever, under any applicable law, for the Issuer or the Dealer to provide you with such information as mentioned herein, this Annex is meant to answer some practical questions that you might have regarding the Notes in general terms only. It does not contain all the information which may be important to you. You should read the terms and conditions of the Notes included in the Prospectus and the Final Terms together with the more detailed information contained in the remainder of the Prospectus. You should carefully consider, amongst other things, the risks set out in the Prospectus and in the Final Terms. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Notes. The information contained in this section is subject in its entirety to the terms and conditions of the Notes included in the Prospectus and the Final Terms

What are the Notes?

The Notes are debt securities issued by the International Bank for Reconstruction and Development (the "**Issuer**"). At maturity, the Notes entitle the Noteholder to receive from the Issuer the Final Redemption Amount of EUR 1,000 per Calculation Amount plus the interest payment with respect to the Maturity Date. In addition, the Noteholder will receive the interest payment relating to each Interest Payment Date specified in the Final Terms under term 16 "Fixed Rate Note provisions". This is subject in any case to the exercise by the Issuer of the Call Option. All payments on the Notes are subject to the Issuer's credit risk (insolvency or payment default of the Issuer) and potential foreign exchange risk if the Noteholder converts the payout (coupons and nominal amount) it receives any currency other than Euro.

Where does my money go?

Supporting sustainable development in IBRD's member countries

The net proceeds from the sale of the Notes will be used by IBRD to finance Eligible Sustainable Development Projects.

"Eligible Sustainable Development Projects" means projects, programs and activities in IBRD's member countries designed to achieve positive social and environmental impacts and outcomes in line with IBRD's twin goals of eliminating extreme poverty and promoting shared prosperity.

Eligible Sustainable Development Projects undergo a rigorous review and internal approval process which integrates IBRD's sustainability policies and environmental and social requirements.

IBRD's sustainable development bond framework ("**SDBF**"), as published from time to time, describes the process for selecting, evaluating and reporting on Eligible Sustainable Development Projects and contains descriptions and examples of such eligible projects.

The net proceeds from the sale of the Notes are not committed or earmarked for the lending to, or financing of, any particular Eligible Sustainable Development Projects. Payments on the Notes are not funded by any Eligible Sustainable Development Projects. Prior to use, the net proceeds from the sale of the Notes will be invested by IBRD's Treasury in accordance with IBRD's liquid asset management investment policies. IBRD's administrative and operating expenses are covered entirely by IBRD's various sources of revenue (net income) consisting primarily of net loan revenues and investment income (as more fully described in the Information Statement). The SDBF and the information set forth therein are not a part of, or incorporated by reference into, the Prospectus.

Will I receive income?

Yes, the Noteholder will receive the interest payment relating to each Interest Payment Date specified in the Final Terms under term 16 “Fixed Rate Note provisions”. This is subject in any case to the exercise by the Issuer of the Call Option.

Can I redeem early?

No. There is no provision in the Notes for a Noteholder's early redemption right. However, application will be made for the Notes to be admitted to listing and to trading on the Euronext Milan regulated market, EuroMOT segment, organised and managed by Borsa Italiana S.p.A. and BNP Paribas has informed the Issuer that, except in the case of exceptional market circumstances, it will, on a best efforts basis, endeavour to make a secondary market during open business hours, with a bid-ask spread no larger than 1%. Also, a brokerage fee may be applied by any financial intermediary involved. The Noteholders are invited to check with its financial intermediary if brokerage fees apply.

Can the Notes be redeemed early by the Issuer?

Yes. The Issuer has the option to redeem the Notes early on the second anniversary of the Notes, at EUR 1,000 per Calculation Amount.

What are the fees?

The investors will purchase the Notes at an Offer Price of 100%. This price includes, per Specified Denomination of EUR 1,000, an upfront commission for the distribution and promotion of the Notes paid upfront by the Dealer to the Distributors, equal to a maximum amount of 0.7% (including VAT, if any) of the EUR 1,000 Specified Denomination of the Notes distributed by each Distributor.

How will the fees impact my investment?

The fees retained by the Distributors will not affect the amounts due in accordance with the terms and conditions of the Notes.

What is the Issuer's credit rating?

The Issuer's long-term senior debt rating is, as at the date hereof, Aaa (Moody's Investor Services) and AAA (S&P). Investors should note, however, that the ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

What are some of the risks in owning the Notes?

Investing in the Notes involves a number of risks. We have described the most significant risks relating to the Notes in the Prospectus (under the heading “Risk Factors” at page 4 and following) and the Final Terms (under Term 24 “Additional Risk Factors” under the heading “General provisions applicable to the Notes”).

Is there Currency Risk?

Since the Notes are issued in EUR, you incur a foreign exchange risk if you decide to convert the coupon payments and the principal amount into another currency. Indeed, such returns when so converted will be

affected, not only by the amount of the coupon and principal, but also by the evolution of the EUR against the relevant currency. If, upon maturity, the EUR has depreciated against such currency, the final return in such currency will be lower. Conversely, an appreciation of the EUR will have the opposite impact.

Are the Notes a suitable and appropriate investment for me?

The Notes can only be offered to the prospective investors by the Distributors in compliance with the target market assessments made by the manufacturer and each Distributor as well as MiFID II obligations on appropriateness and suitability applicable to the Distributors and relevant internal procedures set out by each Distributor, depending on the investment service provided to the relevant investor.

Will I always be able to sell my Notes in a secondary market prior to the Maturity Date?

There is no assurance as to the development or liquidity of any trading market for the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that would provide them with a yield comparable to similar investments that have a developed secondary market. However, application will be made by the Dealer for the Notes to be admitted to listing and to trading on the Euronext Milan regulated market, EuroMOT segment, organised and managed by Borsa Italiana S.p.A. and BNP Paribas has informed the Issuer that, except in the case of exceptional market circumstances, it will, on a best efforts basis, endeavour to make a secondary market during open business hours, with a bid-ask spread no larger than 1%. Also, a brokerage fee may be applied by any financial intermediary involved. The Noteholders are invited to check with its financial intermediary if brokerage fees apply.

Are there any taxes payable by me in relation to the Notes?

The Schedule contains a summary with regard to certain tax aspects which are of significance in connection with the Notes for certain jurisdictions. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for individual potential investors. It is recommended that potential purchasers of the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes under the tax laws of the country of which they are resident for tax purposes.

Where and in which form are the Notes held?

The Notes will initially be held by Euroclear Bank N.V./S.A. and Clearstream Banking S.A. (the "**Clearing Systems**") in the form of a global certificate which will be exchangeable for definitive securities only in the exceptional circumstances described in the Prospectus. For as long as any Notes are held by the Clearing Systems, payments of the coupon and principal will be made through the Clearing Systems. Investors must therefore rely on the Clearing System to distribute all payments attributable to the Notes which are received from the Issuer. Accordingly, investors will be exposed to the credit risk of, and default risk in respect of, the Clearing Systems, as well as the Issuer. Investors should note that neither the Issuer nor the Registrar (Citibank, N.A., London Branch) shall be responsible for the acts or omissions of the Clearing Systems. Furthermore, investors should be aware of the fact that the Clearing Systems may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts or delivery of notes. Prospective investors are therefore advised to investigate the basis on which any such fees will be charged on the Notes.

SCHEDULE TO THE FINAL TERMS

TAXATION

You should carefully consider the matters set forth under “Tax Matters” in the accompanying Prospectus. This summary supplements the section “Tax Matters” in the accompanying Prospectus and is subject to the limitations and exceptions set forth therein.

The following is only a general description of certain tax considerations relating to the Notes with regard to a limited number of jurisdictions. It does not purport to be a complete analysis of all tax considerations relating to the purchase, beneficial ownership, and disposition of the Notes.

Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes.

This summary is based upon the law as in effect on the date of these Final Terms and is subject to any change in law that may take effect after such date (or even before with retroactive effect).

The Issuer makes no representation or warranty, whether express or implied, as to the completeness or accuracy of this summary.

ITALIAN TAXATION

Income Tax

Income Tax

Under the current legislation in force in the Republic of Italy, pursuant to the provisions of Legislative Decree No. 239 of 1 April 1996, as amended and restated (**Decree 239**), and of Article 12, paragraph 13-bis of Legislative Decree No. 461 of 21 November 1997 (**Decree 461**), payments of interest, premium and other proceeds (including the difference between the redemption amount and the issue price) in respect of the Notes accrued during the relevant period:

- (i) will be subject to a 12.5 per cent. substitute tax (*imposta sostitutiva*), levied as final tax if made to beneficial owners who are: (i) Italian resident individuals not engaged in a commercial activity; (ii) Italian resident non-commercial partnerships or professional associations; (iii) Italian resident public and private entities, trusts, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and national or local government entities); and (iv) Italian resident entities or organizations exempt from corporate income tax.

The 12.5 per cent. *imposta sostitutiva* shall be a final tax and payments of interest and other proceeds in respect of the Notes will not be included in the general taxable base of the above mentioned individuals, partnerships, trusts and entities.

Where the resident holders of the Notes described above under (i) and (iii) are engaged in a commercial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due or be claimed for refund in the relevant tax return.

The 12.5 per cent. *imposta sostitutiva* will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Notes or in the transfer of the Notes.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in a commercial activity may be exempt from any income taxation, including

the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term saving account (*piani di risparmio a lungo termine*) that meets the requirements set forth Article 1 (100-114) of Law No. 232 of 11 December 2016;

- (ii) will not be subject to the 12.5 per cent. *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, non-real estate SICAFs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds and real estate SICAFs established pursuant to article 39 of Legislative Decree No. 58 of February 24, 1998 and article 14-bis of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the so-called *risparmio gestito* regime according to Article 7 of Legislative Decree No. 461 of 21 November 1997 - the “Managed Savings Option” and (iv), non Italian residents with no permanent establishment in Italy to which the Notes are effectively connected, provided that if the Notes are held in Italy the non Italian investor promptly file with the authorised financial intermediary an appropriate *affidavit (autodichiarazione)* stating that the investor is not resident in Italy for tax purposes.

Interest and other proceeds accrued on the Notes held by Italian resident corporations, commercial partnerships, Italian resident individuals engaged in a commercial activity as well as Italian resident public and private entities, other than companies, holding Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società, IRES*); or (ii) individual income tax (*imposta sul reddito delle persone fisiche, IRPEF*) plus local surtaxes, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive, IRAP*).

If holders of Notes subject to 12.5 per cent. *imposta sostitutiva* levied as a final tax hold the Notes through an authorised intermediary in Italy having asset management power over such Notes, such holders may opt to pay a final 26 per cent. tax levied by the intermediary on all interest, other payments and gains deriving from such management on an annual basis (“Managed Savings Option”). However, in such case, interest, other payments and gains arising from the Notes will be taxable for a portion equal to 48.08 per cent. only. If holders of Notes subject to 12.5 per cent. *imposta sostitutiva* levied as a provisional tax hold Notes through such an assets manager, interest, other payments and gains will be included as part of their overall taxable income.

If interests are paid outside of Italy by an entity other than an authorised intermediary in Italy to residents of Italy who would otherwise be subject to the above 12.5 per cent. final tax, holders of Notes must include the payments received in their income tax return and the payments shall be subject to a different substitute tax at a 12.5 per cent. rate or, at the holders' option, to income taxes at the applicable rates to their overall income with a tax credit for taxes paid abroad.

If the Notes are held by an Italian pension fund and are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to the substitute tax, 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.

If the Notes are held by an Italian authorised investment fund (*organismi di investimento collettivo del risparmio – O.I.C.R.*), a SICAV (*società di investimento a capitale variabile*) investing in securities and are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to the substitute tax.

If the Notes are held by an Italian real estate investment fund (*fondi immobiliari*) or a SICAF (*società di investimento a capitale fisso*) investing and are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to the substitute tax.

Capital gains

Any capital gain realised upon the sale for consideration or redemption of Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;
or
- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity to which the Notes are connected.

Gains realised on the disposal or redemption of Notes by residents of Italy who are individuals not acting in a business capacity or by non-business partnerships or by private or public institutions not carrying out mainly or exclusively business activities will be subject to a final capital gains tax currently at the rate of 12.5 per cent. The tax applies to all gains and losses realised in the relevant year and losses may be carried forward to the subsequent four years. Said holders of Notes may opt to pay capital gains tax declaring the gains in their annual income tax return or, if the Notes are deposited with an authorised intermediary in Italy, authorising the intermediary to levy the said capital gains tax ("administered savings option"). If they have elected the Managed Savings Option, a portion equal to 48.08 per cent. of the gains arising from the Notes will be subject to the tax applicable thereto. Instead, gains realised by residents of Italy who are individuals acting in a business capacity, partnerships, limited partnerships, corporations or permanent establishments of foreign corporations shall be subject to income or corporation taxes as part of the overall business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes).

Gains realised by investment funds (*organismi di investimento collettivo del risparmio – O.I.C.R.*), SICAVs (*società di investimento a capitale variabile*) and non-real estate SICAFs will be included in the result of the portfolio accrued at the end of the tax period and will not be subject to taxation on such results.

Gains realised by Italian real estate investment funds or by real estate SICAFs, to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, are subject neither to capital gains tax nor to any other income tax in the hands of the real estate fund or SICAF.

Gains realised by Italian pension funds will 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.

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected, through the sale for consideration or redemption of Notes are not subject to income tax in Italy to the extent that the Notes are held outside Italy or are listed on a regulated market in Italy or abroad. If the Notes are held in Italy the exemption applies provided that the non-Italian investor promptly file with the authorised financial intermediary an appropriate affidavit (*autodichiarazione*) stating that the investor is not resident in Italy for tax purposes. Moreover, *imposta sostitutiva* does not apply if the non-Italian resident investor holding Notes in Italy is resident for tax purposes in a Country ensuring an adequate exchange of information in tax matters with Italy. The provisions of applicable tax treaties against double taxation entered into by Italy apply if more favorable and provided that all relevant conditions are met.

The Notes are excluded from the tax base of the Italian inheritance tax according to article 12 of Legislative Decree 346/1990.