

BASE PROSPECTUS

Sella

BANCA SELLA HOLDING S.p.A.

(incorporated as joint stock company (società per azioni) in the Republic of Italy)

€1,000,000,000

Euro Medium Term Note Programme

Under this Euro Medium Term Note Programme (the **Programme**), Banca Sella Holding S.p.A. (the **Issuer** or **Banca Sella Holding**) may from time to time issue notes governed by Italian Law in dematerialised form (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to Mediobanca – Banca di Credito Finanziario S.p.A. and any additional dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus (the **Base Prospectus**) to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

The terms and conditions for the Notes are set out herein in “*Terms and Conditions for the Notes*”.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority in Luxembourg under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with the provisions of Article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019 (“**Luxembourg Prospectus Law**”). Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. The validity of this Base Prospectus ends upon expiration on 21 June 2025.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under the "*Terms and Conditions for the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF.

Copies of the Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.luxse.com). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading and/or quotation, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any securities laws of any State or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any State or other jurisdiction of the United States.

The Issuer has been rated "Baa3" (long term deposits) and "P-3" (short term deposits) from Moody's and BBB (long-term deposits rating), R-2(high) (short-term deposits rating), BBB(low) (long-term issuer rating and long-term senior debt) and R-2(middle) (short-term issuer rating and short-term debt) from Morningstar DBRS.

Each of Moody's France S.A.S. and DBRS Ratings GmbH is established in the EEA and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Moody's France S.A.S. and DBRS Ratings GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at [HTTP://WWW.ESMA.EUROPA.EU/PAGE/LIST-REGISTERED-AND-CERTIFIED-CRAS](http://WWW.ESMA.EUROPA.EU/PAGE/LIST-REGISTERED-AND-CERTIFIED-CRAS)) in accordance with the CRA Regulation.

Each of Moody's France S.A.S. and DBRS Ratings GmbH is not established in the United Kingdom but it is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom (**UK**), and (ii) has made an advance application to be registered in accordance with the Regulation (EC) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**UK CRA Regulation**). The Issuer ratings have been issued by each of Moody's France S.A.S. and DBRS Ratings GmbH in accordance with the CRA Regulation before the end of the transition period and have not been withdrawn. As such, the ratings issued by each of Moody's France S.A.S. and DBRS Ratings GmbH may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by one or more of the rating agencies. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Whether or not a rating in relation to any Tranche of Notes will be (1) treated as having been issued or endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or by a credit rating agency which is certified under the CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended) (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation) unless (1) the rating is provided by a credit rating agency not established in the EEA but endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. ESMA is obliged to maintain on its website a list of credit rating agencies registered and certified in accordance with the CRA Regulation.

Amounts payable on Floating Rate Notes and/or Reset Notes (where relevant) may be calculated by reference to the euro interbank offered rate (EURIBOR) as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute, as administrator of EURIBOR, is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

Arranger and Dealer

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

The date of this Base Prospectus is 21 June 2024.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8(1) of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129 and UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA). The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated by reference and form part of this Base Prospectus.

Other than in relation to the documents which are incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Third Party Information – Certain information and statistics presented in this Base Prospectus regarding markets and market share of the Issuer or the Issuer together with its subsidiaries (the "Sella Group") are either derived from, or are based on, internal data or publicly available data from external sources. In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled “*MiFID II product governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**),

any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled “*UK MIFIR product governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

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

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from and should be read in conjunction with:

– the consolidated financial statements of the Issuer for the year ended December 31, 2023 (the “2023 Consolidated Financial Statements”) which have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union (“**EU**”) and the Italian regulations

implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15. The 2023 Consolidated Financial Statements are incorporated by reference in this Prospectus;

– the consolidated financial statements of the Issuer for the year ended December 31, 2022 (the “2022 Consolidated Financial Statements”) which have been prepared in accordance with the IFRS as adopted by the EU and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15. The 2022 Consolidated Financial Statements are incorporated by reference in this Prospectus.

The 2023 Consolidated Financial Statements and the 2022 Consolidated Financial Statements are referred to collectively as the “**Consolidated Financial Statements**”.

During the annual periods covered by the Consolidated Financial Statements and up to the Prospectus Date, no changes were made with reference to the accounting reporting date.

Key Performance Indicators and Operating Data

Certain key performance indicators and other non-financial operating data included in this Prospectus are derived from management estimates, are not part of the Issuer’s Consolidated Financial Statements or its accounting records and have not been audited or otherwise reviewed by outside auditors, consultants or experts. The Issuer’s use or computation of these measures may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these measures should not be considered in isolation or as an alternative measure of performance under IFRS.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in “*Terms and Conditions for the Notes*” or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, all references to:

- *U.S. dollars, U.S.\$* and *\$* refer to United States dollars;
- *Sterling* and *£* refer to pounds sterling; and
- *Euro, euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to a **billion** are to a thousand million.

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

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms or Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, will be carried out in accordance with all applicable laws and regulations and may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the form of Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions for the Notes, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" or, as the case may be, "*Terms and Conditions for the Notes*" shall have the same meanings in this overview.

Issuer:	Banca Sella Holding S.p.A. (Banca Sella Holding)
Issuer Legal Entity Identifier (LEI):	549300ABE4K96QOCEH37
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under " <i>Risk Factors</i> ".
Description:	Euro Medium Term Note Programme
Arranger:	Mediobanca – Banca di Credito Finanziario S.p.A.
Dealers:	Mediobanca – Banca di Credito Finanziario S.p.A.; and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus. Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom,

constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "Subscription and Sale".

Under the Prospectus Regulation, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.

Paying Agent: Banca Sella Holding S.p.A.. The Issuer is entitled to appoint a different Paying Agent in accordance with Condition 9 (*Agents*) of the Terms and Conditions for the Notes.

Listing Agent BNP Paribas Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.

Programme Size: Up to € 1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars and any other currency agreed between the Issuer and the relevant Dealer.

Maturities: The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities 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 Issuer or the relevant Specified Currency.

Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable from time to time to the issue of Non-Preferred Senior Notes, Non-Preferred Senior Notes must have a minimum maturity of not less than twelve months.

Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable from time to time to the issue of Subordinated Notes, Subordinated Notes must have a minimum maturity of 5 years.

Issue Price: Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes The Notes will be issued in bearer form, in dematerialised form as described in "*Form of the Notes*".

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Reset Notes Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the relevant Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the relevant Final Terms by reference to a mid-market swap rate, as adjusted for any applicable margin, in each case, as may be specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the form of Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Exempt Notes: The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Notes: The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Notes redeemable in instalments: The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions for the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The form of Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be early redeemed (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer as described in Condition 5.4 (*Redemption at the option of the Issuer (Issuer Call)*), and/or (in the case of Senior Notes or Non-Preferred Senior Notes only) at the option of the Issuer due to a MREL Disqualification Event, as described in Condition 5.6 (*Issuer Call due to MREL Disqualification Event*) of the Terms and Conditions for the Notes and/or (in case of Subordinated Notes only) at the option of the Issuer for regulatory reasons, as described in Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Notes and/or (in the case of Senior Notes or Non-Preferred Senior Notes only) at the option of the Noteholders as described in Condition 5.5 (*Redemption at the option of the Noteholders (Investor Put)*) and/or at the option of the Issuer, as described in the Conditions 5.7 (Clean-up redemption at the option of

the Issuer), upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Other than following an Event of Default, any early redemption of the Notes in accordance with the Terms and Conditions for the Notes (including early redemption for taxation reasons or early redemption for regulatory reasons) will be subject to the provisions of, respectively, Condition 5.14 (*Conditions to Early Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes*) and Condition 5.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes*).

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Denomination of Notes:

Notes will be issued in such denominations as may be specified in the form of Final Terms (**Specified Denomination**) provided that (i) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Senior Note shall be at least Euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), (ii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Subordinated Note shall be at least Euro 200,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), and (iii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Non-Preferred Senior Note shall be at least Euro 150,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 6 (Taxation) unless such deduction or withholding is requested by law. In the event that any such deduction or withholding is made, the Issuer will, save in certain limited circumstances provided in Condition 6 (Taxation), be required to pay additional amounts, in respect of interest only, to cover the amounts so deducted or withheld.

Negative Pledge:	The terms of the Notes will not contain a negative pledge provision.
Cross Default:	None.
Status of the Notes:	Notes may be issued by Banca Sella Holding on a subordinated basis (as Subordinated Notes) or unsubordinated basis (as Senior Notes or Non-Preferred Senior Notes), as specified in the relevant Final Terms.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than obligations ranking junior to the Senior Notes from time to time (including Non-Preferred Senior Notes and any further obligations permitted by law to rank, or expressed to rank, junior to the Senior Notes, on or following the Issue Date), if any) of the Issuer, from time to time outstanding, as described in Condition 2.1 (<i>Status of the Senior Notes</i>).
Status of the Non-Preferred Senior Notes:	The Non-Preferred Senior Notes (being Notes intended to qualify as <i>strumenti di debito chirografario di secondo livello</i> of the Issuer, as defined under Article 12- <i>bis</i> of the Legislative Decree No. 385 of 1 September 1993, as amended (the Italian Consolidated Banking Act)) constitute direct, unconditional, unsubordinated, and unsecured and non-preferred obligations of the Issuer, ranking junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank in their terms, senior to the Non-Preferred Senior Notes, <i>pari passu</i> without any preferences among themselves, and with all other present or future obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Non-Preferred Senior Notes and in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1- <i>bis</i> , letter c- <i>bis</i> of the Italian Consolidated Banking Act, as described in Condition 2.2 (<i>Status of the Non-Preferred Senior Notes</i>).
Status of the Subordinated Notes:	Subject as set out below, the Subordinated Notes (being notes intended to qualify as Tier 2 Capital for regulatory capital purposes, in accordance with Part II, Chapter 1 of the Bank of Italy's <i>Disposizioni di Vigilanza Prudenziale per le Banche</i> , as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time (the Bank of Italy Regulations), including any successor regulations, and Article 63 of the Regulation No. 575/2013

of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended from time to time (the **CRR**) constitute unconditional, subordinated unsecured obligations of the Issuer and, subject to Condition 2.3 (*Status of the Subordinated Notes*), rank (i) after all unsubordinated, unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer and after all creditors of the Issuer holding instruments that are or are expressed by their terms to be less subordinated than the relevant Subordinated Notes; (ii) at least *pari passu* and without any preferences among themselves, and with all other present and future subordinated obligations of the Issuer that are not expressed by their terms to rank or which do not rank junior or senior to the relevant Subordinated Notes (save for those preferred by mandatory and/or overriding provisions of law); and (iii) in priority to the claims of shareholders of the Issuer and to all other present and future subordinated obligations of the Issuer which rank or are expressed by their terms to rank junior to the relevant Subordinated 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 Non-Preferred Senior Notes) of the Issuer, *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or 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 do not qualify or have so ceased to qualify, in their entirety, as own funds in the form of Tier 2 Capital) and senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*), as described in Condition 2.3 (*Status of the Subordinated Notes*).

Variation:

With respect to (i) any Series of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL Disqualification Event occurs, and if Variation is specified as being applicable in the form of Final Terms, or (ii) any Series of Subordinated Notes, if at any time a Regulatory Event occurs, and if Variation is specified as being applicable in the form of Final Terms, (iii) all Notes, if at any time a Tax Event or an

Alignment Event occurs and if Variation is specified as being applicable in the form of Final Terms, (iv) all Notes, if Variation is specified as being applicable in the form of Final Terms, in order to ensure the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) and having given not less than 30 nor more than 60 days' notice (or such other notice periods as may be specified in the form of Final Terms) to Monte Titoli, the Paying Agent and the holders of the Notes of that Series (as applicable), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Rating:

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the form of Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Approval, Listing and Admission to trading:

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be listed on the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The form of Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

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

See Condition 13 (*Governing Law and Submission to Jurisdiction*) of the Terms and Conditions for the Notes.

Benchmark discontinuation:	Notwithstanding the provisions in Condition 3.3 (<i>Interest on Floating Rate Notes</i>) or Condition 3.2 (<i>Interest on Reset Notes</i>), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.4(b) <i>Successor Rate or Alternative Rate</i>) and, in either case, an Adjustment Spread if any (in accordance with Condition 3.4(c) <i>Adjustment Spread</i>) and whether any Benchmark Amendments (in accordance with Condition 3.4(d) <i>Benchmark Amendments</i>) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (all as defined in the Conditions).
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Italy, France, Belgium, the United Kingdom, Japan, Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ").
United States Selling Restrictions:	Regulation S, Category 2. TEFRA not applicable, as specified in the form of Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). Non-Preferred Senior Notes shall be distributed to qualified investors only in accordance with Law No. 205 of 27 December 2017 on the budget of the Italian government for 2018.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors, including those set out below, which individually or together could result in the Issuer becoming unable to make all payments due. The inability of the Issuers to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons outside the Issuer's control which may not be considered significant by the Issuer based on information currently available to them or which they may not currently be able to anticipate. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

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

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

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

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

The risks below have been classified into the following categories:

Risks relating to the Issuer's and the Sella Group's financial position, business activity and industry

Risks related to the internal control of the Issuer and the Sella Group

Risks related to the political, environmental, social and governance environment of the Issuer and the Sella Group

Risks relating to the Issuer's and the Sella Group's financial position, business activity and industry

Risks related to a potential European sovereign debt crisis

In the past years, following the Greek sovereign debt crisis, the Euro Area experienced an extended period of tension on peripheral sovereign debt spreads, that widened significantly versus core EU Countries. The ECB stepped in with unconventional monetary policy measures, providing unprecedented stimulus to prevent fragmentation in the EU and to preserve the stability and status quo of the Economic and Monetary Union (EMU). As a consequence market conditions improved significantly, both for sovereign spreads and corporate and financial spreads tensions. With the raise in inflation observed in 2022, the ECB began to remove its monetary stimulus, raising key rates (starting from July 2022) and gradually reducing EU Excess Liquidity. Sovereign peripheral spreads proved to be resilient even in this context, helped also by a renewed demand by retail domestic investors, attracted by higher yields. In this scenario, the re-emergence of a sovereign debt crisis appears not to be so imminent or probable, even though it cannot be excluded. Indeed, a widening in sovereign spreads would very likely imply a worsening in market conditions to access financing for the Issuer and for Sella Group and more in

general for all Italian banks.

Moreover, the earning capacity and stability of the Issuer and the Sella Group are affected by the general state of the economy, the dynamics of financial markets and the strength and growth prospects of the economy in Italy (and the creditworthiness of its sovereign debt), as well as that of the Eurozone as a whole. In addition, although very unlikely considering the actual market conditions, the risk remains that a default of one or more countries in the Eurozone, the extent and precise nature of which is impossible to predict, could lead to the expulsion or voluntary withdrawal of one or more countries from the Eurozone or a disorderly break-up of the Eurozone, either of which could significantly disrupt financial markets and possibly trigger another global recession.

Indeed, the performance of the Issuer and the Sella Group is influenced by the general economic situation, both nationally and in the Euro area as a whole, and by the dynamics of the financial markets and, in particular, by the solidity and growth prospects of the economy in the above geographical areas in which the Issuer and the Sella Group operate. In particular, the profitability and solvency of the Issuer and of the Sella Group are influenced by the performance of factors such as investor expectations and confidence, the level and volatility of short and long-term interest rates, exchange rates, the liquidity of financial markets, the availability and cost of capital, the sustainability of sovereign debt, household income and consumer spending, unemployment levels, inflation and house prices.

Adverse changes in these factors, particularly in periods of economic and financial crisis, could lead to the Issuer and the Sella Group suffering losses, increases in funding costs and reductions in the value of assets held, with a potential negative impact on the Issuer and the Sella Group.

Interest rate, market and liquidity risk

The Issuer's business – and that of the Sella Group – is subject to risks concerning interest rate, market risks and liquidity, which are inherent in its banking operations, and could affect the Issuer's ability to meet payment commitments or cause an incapacity to finance assets with the necessary punctuality on a cost/effective basis. The interest rate risk consists of the possibility of incurring losses due to reductions in the value of assets and/or increases in the value of liabilities caused by adverse changes in interest rates on positions not included in the trading portfolio.

In recent years, global financial systems have been subject to considerable turmoil and uncertainty and, as at the date of this Base Prospectus, the short and medium term outlook for the global economy remains uncertain. Although the recent increase in interest rates contributed significantly boosting banks' profitability, having a relevant positive effect on net interest rate income, volatility in interest rates could contribute to uncertainty, weighing negatively on the global financial system.

In particular, EBA recently published – on 15 June 2023 – the third report (the Report) on the monitoring of the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). The Report:

- outlines the potential impact on LCR and NSFR levels of the upcoming central bank funding repayment (mainly repayments of the targeted longer-term refinancing operations (TLTRO)) as well as of potential scenario of higher liquidity risk, particularly affecting government bonds, derivatives and repo markets, in the context of a higher interest rate environment, inflation and recession risks;
- provides guidance to banks and supervisors on how to monitor market conditions and economic factors that may affect funding sources; and
- emphasizes the importance of banks developing funding plans that consider the replacement of central bank funding and address any additional risks in the current economic environment.

Those plans should simultaneously address the funding needs for both the LCR and NSFR, taking into account differences in funding alternatives and counterparties.

The tough credit conditions of the global and Italian capital markets following 2008 financial crisis have led to the most severe examination of the banking system's capacity to absorb sudden significant changes in the funding and liquidity environment in recent history, and have had an impact on the wider economy. Individual institutions have faced varying degrees of stress. In general the banking system as a whole emerged significantly strengthened both in capital and liquidity position, led by repeated tightening in regulatory requirements. Having said that, should the Sella Group be unable to continue to source a sustainable funding profile which can absorb these sudden shocks, the Sella Group's and the Issuer's ability to fund its financial obligations at a competitive cost, or at all, could be adversely affected. Moreover, the possibility of movements in interest rates may have negative impacts on the present and future profitability arising from assets and liabilities generating interest margin in the Sella Group's balance sheet.

Interest rate, market and liquidity risks are managed and monitored by the Issuer and within the Sella Group, in addition to compliance with external rules and regulations, according to specific internal rules based on prudent criteria. Market risk management and control is governed by Sella Group regulations and specific policies, documents that define the rules by which each individual company in the Sella Group may expose themselves to various types of risk. The assumption of positions entailing market risk is regulated not only by Sella Group general regulations and policies adopted by Banca Sella Holding at a parent level and applicable to the Group, but also by specific regulations (as in the case of market making and proprietary trading activities performed by Banca Sella Holding). Market risk is monitored both with the standard methodology in force at the date of this Base Prospectus, and according to the more advanced and accurate methodology which will be established and implemented according to the relevant phase-in regime to implement (so-called Fundamental Review of the Trading Book – FRTB).

The process for the management and control of the interest rate risk on the banking book is also formalised by a dedicated policy, with the purpose of disciplining the rules and the management, measurement and control methods linked to the interest rate risk, in order to guarantee effective management of the conditions for the economic and financial balance of the companies of the Sella Group. Such risk on the banking book is managed, in accordance with the risk control policy, by paying attention to the mismatch of maturities between assets and liabilities, taking care to maintain prudent balances. Monitoring and simulations are carried out both in relation to the possible impact of a shift in market rates on the Enterprise Economic Value (EEV) and on Net Interest rate Income (NII).

Furthermore, certain internal committees of the Issuer verify the ongoing adequacy of the risk levels and safeguards adopted and, if necessary, suggests and coordinates the implementation of any improvement actions.

As at 31 December 2023 the Issuer's HQLA (High Quality Liquid Assets) are equal to € 6,403 million.

Although the issuer has adopted policies and criteria to control liquidity risk, nevertheless, as at the date of this Base Prospectus, it cannot be ruled out that unknown and unexpected events might occur which could negatively affect the Issuer's ability to meet its financial obligations as they fall due or to fulfil its commitments to lend.

Risks associated with the Issuer's rating

The risk associated with the ability of an issuer to meet its obligations, generated by the issue of debt instruments and money market instruments, is defined by reference to credit ratings assigned by independent rating agencies. A rating may be suspended, lowered or withdrawn at any time by the rating agency by which it has been assigned. Suspension, lowering or withdrawal of an assigned rating can negatively affect the market price of the bonds issued.

The current credit ratings of the Issuer are, respectively, “Baa3” (long term deposits) and “P-3” (short term deposits) from Moody’s and BBB (long-term deposits rating), R-2(high) (short-term deposits rating), BBB(low) (long-term issuer rating and long-term senior debt) and R-2(middle) (short-term issuer rating and short-term debt) from Morningstar DBRS. A downgrade of any of the Issuer’s ratings would result in higher funding and refinancing costs for the Issuer in the capital markets. Such downgrade may also affect or effectively limit access to the capital markets, because investing in the Issuer will in such case likely be considered less attractive (also because of the Issuer’s possible reputational damage) and/or will no longer be allowed for certain investors, and, therefore, it could have a particularly adverse effect on the Issuer’s image as a participant in the capital markets, as well as in the eyes of its clients. A rating downgrade might restrict the availability of funding or increase its cost for individuals and companies at a local level.

These factors may also have an adverse effect on the Issuer’s financial condition and/or results of operations and, as a consequence, on the rating assigned to the Notes.

Credit and counterparty risks

Credit and counterparty risks are associated with the event that the financial soundness and outlook of the Issuer or of the Sella Group deteriorate due to the risk of losses resulting from any inability or refusal by customers (including Sovereign States) to meet their contractual obligations, relating to lending, commitments, letters of credit, derivatives instruments, foreign currency transactions and other transactions.

The Sella Group considers the measurement and management of credit risk to be of crucial importance. The activity of loan supplies has always looked towards traditional business forms, supporting household financing needs and providing the necessary support to businesses – in particular small and medium sized enterprises – in order to support growth projects, consolidation phases and financial needs during negative phases of the economic cycle. Even though lending is the core business of the Sella Group, it is performed with the objective to achieve a controlled growth of lending throughout the country by means of a risk-taking strategy focused on the most attractive geographic areas, customer segments and sectors of economic activity.

The lending policies and processes for the disbursement and monitoring of loans are defined in order to combine positive responses to customers’ needs and business needs with the need to ensure the maintenance of high quality for the lending business in a still difficult economic situation.

A decrease in the creditworthiness of third parties, could adversely affect the ability of the Issuer and the Sella Group due to difficulty in obtaining liquidity and/or could have an adverse impact on the results of the Issuer’s operations.

Risks related to quality of loans

The macroeconomic framework appears to be characterized by high geopolitical instability with particular reference to Eastern Europe, the Middle East and the to the escalating Chinese-Taiwanese tension with repercussions on economic growth, also conditioned recently by high inflation and a restrictive monetary policy. These circumstances could therefore potentially lead to greater difficulty for customers to honor their debts with repercussions both on the cost of credit and on the growth of NPLs. An increase in the cost of credit could lead to a significant worsening of the profitability and the investment capabilities of the Issuer and the Group. Furthermore, following the growth of NPLs it may be necessary to make greater use of sales of impaired loans to reduce their impact, but with strong uncertainty regarding realization prices. In addition, numerous other banks may seek to dispose of these assets, which may result in excess supply and downward price pressure. The Sella Group may, therefore, find it difficult to identify buyers for non-performing loans or only find buyers willing to buy at low prices, which may result in adverse consequences for the Sella Group’s financial condition and results

of operations.

Risks related to the Strategic Plan

Between December 2023 and January 2024, the Board of Directors of the Banca Sella Holding approved the Sella Group's 2024–2026 Strategic goals and projections (the “**Strategic Plan**”), denominated “Make an Impact”.

The Strategic Plan contains objectives to be met, by 2026 (the “**Projected Data**”) based on assumptions of both a general nature and a discretionary nature linked to the impact of specific operational and organisational actions that Banca Sella Holding intends to take during the period of time covered by the Strategic Plan.

The failure or partial occurrence of the assumed events or of the positive expected resulting effects could lead to potentially significant deviations from the forecasts in the Projected Data or hinder meeting them with consequent significant negative effects on the assets and the operations, balance sheets and/or income statements of the Issuer and/or Sella Group.

Competition

In recent years, the Italian banking sector has experienced a general and relevant increase in profitability, led by a boost in net interest rate income (due to the raise in interest rates) and to low credit costs.

Despite this positive situation, competition between banks remained strong.

In particular, the banking sector in Italy, as well as in Europe, is experiencing a consolidation phase featuring a high degree of competition due to the following factors: (i) the introduction of EU directives aimed at liberalising the European Union banking sector; (ii) the deregulation of the banking sector and the connected development of “shadow banking” throughout the European Union, and specifically in Italy, which has encouraged competition in the traditional banking sector with the effect of progressively reducing the spread between lending and borrowing rates; (iii) the behaviour of competitors; (iv) consumer demand; (v) the advance of services with a strong element of technological innovation, such as internet banking and mobile banking; and (vi) the influx of new competitors, and other factors not necessarily under the Sella Group's control.

All the above factors may adversely affect the Issuer and the Sella Group's financial condition and resulting operations. In addition, downturns in the Italian economy could add to the competitive pressure through, for example, increased price pressure and lower business volumes for which to compete.

The Group may be unable to maintain capital adequacy requirements and/or liquidity minimum requirements

The rules on capital adequacy for banks define the prudential minimum capital requirements, the quality of capital resources, and risk mitigation instruments. Such rules are complex and evolve regularly. In addition, the Bank of Italy can and do impose on the Sella Group, as permitted by such rules, additional requirements with respect to its capital, which may restrict the Sella Group's operational flexibility and may, should it fail to meet such requirements, require the Sella Group to adopt additional measures imposed by the ECB or other regulators. Capital adequacy requirements include – in addition to the capital ratios and buffer provided by the CRR – also the following main requirements: (a) the requirement to maintain a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), expressed as a percentage of the total liabilities and own funds of the institution, in view of facilitating a smooth resolution of the bank, in the event of a resolution decision; (b) a Liquidity Coverage Ratio (LCR), aimed at ensuring the ongoing ability of the bank to meet its short-term obligations; (c) a binding leverage ratio of 3 per cent, which is aimed at preventing banks from excessively increasing their leverage levels, and (d) a binding Net Stable Funding Ratio (NSFR), designed to ensure that banks finance their long-

term activities with stable sources of funding in order to increase banks' resilience to funding constraints.

On 24 February 2022, the Bank of Italy issued the 38th amendment to Circular No. 285 introducing the possibility for the Bank of Italy to impose a systematic sectorial risk buffer (the SyRB), pursuant to Article 133 of the CRD IV, consisting of CET1, with the aim of preventing and mitigating macro-prudential or systemic risks not otherwise covered by the macro-prudential tools provided by the CRR, the countercyclical capital buffer and the capital buffers for G-SIIs or O-SIIs.

In addition to the above, the 38th amendment also granted the power to the Bank of Italy of adopting one or more prudential measures on customers and loan characteristics (so called borrower-based measures), requiring banks to apply them when granting new financing in any form. Those measures can be applied to all loans or differentiated on the basis of characteristics of customers and loans. More specifically, in the presence of high vulnerabilities of the financial system, which may give rise to systemic risks, the Bank of Italy may adopt one or more borrower based measures that are in line with the guidelines of the European Systemic Risk Board appropriate and sufficient to prevent or mitigate the identified risks, considering, if possible, also any cross-border effect arising from their application and paying due attention to the principle of proportionality.

Following a public consultation procedure, on 26 April 2024, the Bank of Italy decided to apply a SyRB of 1.0 per cent, of exposures towards Italian residents weighted for credit and counterparty credit risk. The SyRB applies to all banks and banking group authorised in Italy, thus including the Issuer and the Group. The buffer rate target would be reached gradually: 0.5 per cent. would need to be set aside by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025. The Syrb is to be applied at the highest level of consolidation for banking group.

On 13 July 2022, the Bank of Italy issued the 39th amendment to Circular No. 285 introducing – inter alia – a clear differentiation between components of ‘Pillar 2 Requirements’ estimated from an ordinary perspective and the ‘Pillar 2 Guidance’ determined from a stressed perspective which supervisory authorities may require banks to hold. The possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (‘Pillar 2 Requirement Leverage Ratio’ and ‘Pillar 2 Guidance Leverage Ratio’) has also been envisaged. Indeed the Issuer and the Group have always kept a low risk profile concerning excessive leverage risk, with Leverage ratio figures well above the minimum requirement.

The Sella Group may be subject to the provisions of the Bank Recovery and Resolution Directive

The Issuer – as a bank – and the Sella Group is subject to the Bank Recovery and Resolution Directive (BRRD), an EU Directive intended to enable a range of actions to be taken in relation to institutions which are failing or considered to be at risk of failing (i.e. the sale of business, the asset separation, the bail in and the bridge bank). The BRRD gives resolution authorities the power to write down certain claims of unsecured creditors of a failing a relevant entity and to convert certain unsecured debt claims into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the “General Bail-In Tool”).

The taking of any action under the BRRD in relation to the Issuer – or the Sella Group – could materially affect the value of, or any repayments linked to the Notes.

The determination that securities issued by the Issuer and the Sella Group will be subject to write-down, conversion or bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer and the Sella Group’s control. This determination will also be made by the relevant Italian resolution authority and there may be many factors, including factors not directly

related to the Issuer and the Sella Group, which could result in such a determination. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of a bail-in power may occur which would result in a principal write off or conversion to other securities, including equity. Moreover, as the criteria that the relevant Italian resolution authority will be obliged to consider in exercising any bail-in power provide it with considerable discretion, holders of the securities issued by the Issuer and the Sella Group may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Issuer and the Sella Group and the securities issued by the Issuer and the Sella Group. Potential investors in the securities issued by the Issuer and the Sella Group should consider the risk that a holder may lose all or part of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

For further information please see section “Certain Regulatory Aspects Relating to the Issuer and the Group”.

Inflation, increase in interest rates and a potential recession

Mismatches between the supply and demand of goods and services, partially as a result of the COVID-19 pandemic and, more recently, the Russia-Ukraine conflict, have contributed to a rise in global inflation. In Italy, the annual Harmonized Indices of Consumer Prices, which is used to measure consumer price inflation in the euro area (“HICP”), as recorded in 2021, 2022 and 2023, was 1.94%, 8.7% and 5.9%, respectively (source: Istat). The annual inflation rate in Italy in 2022 was the highest since 1985. With respect to the European Union, the HICP, as recorded in 2021, 2022 and 2023, was 2.9%, 9.2% and 6.4%, respectively (source: Eurostat). As for the United States, the Consumer Price Index, which is the most widely used measure of inflation in the United States, as recorded in 2021, 2022 and 2023, was 4.7%, 8.0% and 4.1%, respectively (source: IMF).

To counter inflation, central banks have increased interest rates and seem now to have reached the end of the tightening cycle. The Federal Reserve and the European Central Bank are both in the process of reducing gradually the dimension of their respective Balance Sheet. The recent restrictive monetary policies and the persistence of geo-political tensions (Russia-Ukraine, Middle East and Taiwan/China) may lead to a market or general economic downturn or recession. All of these factors may adversely affect the Issuer and the Sella Group. Uncertainty surrounding the pace of future interest rate cuts by major central banks may result in significant volatility in financial markets around the world and such volatility may continue for a prolonged period of time. Any potential recession or other periods of declining economic conditions, could adversely affect the Issuer’s and Sella Group’s business, results of operations and financial condition and have a negative effect on the securities markets generally.

Forthcoming regulatory changes

The Issuer and the Sella Group are subject to extensive regulation and supervision by, among others, the Bank of Italy and CONSOB. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices.

The 2021 Banking Reform Package (as defined below) has been adopted with the publication of EU Regulation 2024/1623 (amending CRR) and EU Directive 2024/1619 (amending CRD IV Directive) in the Official Journal of the European Union on 19 June 2024. EU Regulation 2024/1623 and EU Directive 2024/1619 will enter into force on 9 July 2024. EU Regulation 2024/1623 shall apply from 1st January 2025 (with some exceptions). As for EU Directive 2024/1619, Member States shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI, and shall apply those measures from 11 January 2026 (with some exceptions). On 24 April 2024, the CMDI received the final endorsement from the European Parliament, plenary session, and areis expected to be published in the Official Journal of the European Union in the coming months. Once the 2021 Banking Reform Package and the CMDI will be implemented in the Union, these regulatory changes will

impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements.

Changes in the regulatory framework and prudential capital requirements – including the recent publication of EU Regulation 2024/1623 (amending CRR) and EU Directive 2024/1619 (amending CRD IV Directive) – and in how such regulations are interpreted and/or transposed into the national legal/regulatory framework and/or applied by the supervisory authorities may have a material effect on the Issuer and the Sella Group's business and operations. The manner in which the new framework of banking laws and regulations will be applied to the operations of financial institutions is still evolving and still uncertain. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Issuer and the Sella Group.

The Issuer and the Sella Group may be affected by new accounting standards

Under IFRS, for the purposes of preparing its consolidated financial statements, the Sella Group uses estimates and assumptions that may have a significant effect on the values recorded on the balance sheet and income statement, as well as on the reporting of contingent assets and liabilities. These estimates and assumptions are applied on a going concern basis and influenced by potential growing uncertainty of the economic environment and current market conditions and the degree of volatility of financial parameters. Parameters and information used for the determination of estimates and assumptions are particularly affected by factors which by their nature are unpredictable. As a result, those estimates and assumptions may vary from period to period and, accordingly, it cannot be ruled out that amounts recorded in the Issuer's and the Sella Group's most recent financial statements and those recorded in the future will differ, even significantly, following changes to the valuation methods to be applied.

The values recorded on the balance sheet and income statement, as well as on the reporting of contingent assets and liabilities are significantly affected by the above factors and, accordingly, even if the estimates and assumptions adopted are subject to periodic review in order to take into account changes in the relevant period, it cannot be ruled out that a worsening performance will have an adverse effect on the items subject to valuation and, ultimately, on the financial condition and results of operations of the Issuer and of the Sella Group.

Risks associated with pending legal proceedings

As at the date of this Base Prospectus, the Issuer and the Sella Group companies are/were parties to civil and administrative judiciary proceedings associated with their ordinary operations.

The legal disputes in which the Issuer and the Group companies are involved originate from their ordinary business dealings. In particular, as of 31 December 2023 there were 207 legal proceedings (other than fiscal, bankruptcy revocations and those relative to credit collection, relative to which counterclaims or appeals have been raised relative to the Issuer's claims) pending with regards to the Issuer and the Group companies.

Even though the outcome of the many legal proceedings to which the Sella Group is a party is intrinsically difficult to forecast and, therefore, it cannot be ruled out that an unfavourable outcome of some of them might impact the Sella Group's financial, income and equity situation, the Issuer believes that the allocated provision is adequate to meet any unfavourable outcomes.

For other information on the pending legal proceedings to which the Group is a party, reference is made to section "*The Issuer*" of this Base Prospectus.

Risk associated with inspections by regulatory authorities

Sella Group is subject, in the course of its ordinary activities, to inspections and other supervisory actions carried out by the supervisory authority that could require organisational interventions or strengthening of internal functions aimed at addressing weaknesses identified during inspections which might, furthermore, result in sanction proceedings which may have negative effects on operations, financial and capital position and economic results of the Issuer and/or Sella Group.

Risks related to the internal control of the Issuer and the Group

Operational risk

Among the main scenarios potentially impacting the Issuer from an operational risk perspective include: disputes relating to the creation and offer of products to customers; sanctions for violations of regulatory compliance issues; risks related to outsourced services or carried out with the support of critical suppliers; IT and IT security risks.

In particular, as part of its operations, the Issuer outsources to third-party companies, both through intra-group and extra-group contracts, the performance of technological, administrative and technical services and monitors the outsourced activities according to the policies and regulations adopted at Group level. Failure by parties who provide outsourced activities to the Issuer and/or the Group to comply with the minimum service levels envisaged by the agreements concluded with them could lead to negative effects on the Group's operations. In particular, the Issuer and the other companies of the Group are subject to risks – also towards the competent authorities – deriving from omissions, errors, delays, discontinuity of the service offered compared to the contractually foreseen levels. Furthermore, the continuity of the service level could be jeopardized by the occurrence of events with a negative impact on suppliers, such as, for example, their declaration of insolvency, or their submission to insolvency proceedings.

Although the Issuer adopts a management system based on processes and procedures aimed overall at the detection, evaluation, measurement and monitoring of operational risks with the aim of preventing and containing possible negative effects, the adoption of such measures could however prove not to be sufficient to deal with potentially arising risks, also due to the unpredictability of the occurrence of high-impact operational risk events (natural disasters, fraud and cases of unavailability, malfunction and/or violation of IT systems).

The occurrence of one or more of these events could have detrimental effects on the financial condition and results of operations of the Issuer and of the Sella Group.

Cyber-risk and risks relating to information technology systems

The Sella Group depends on its information technology (IT) and data processing systems to operate its business, as well as on its continuous maintenance and constant updates. The Sella Group is exposed to the risk that data could be damaged or lost, removed, disclosed or processed (data breach) for purposes other than those authorised by the customer, including by unauthorised parties.

Among the risks that the Issuer and the Sella Group faces relating to the management of IT systems are the possible violations of its systems due to unauthorised access to the Sella Group corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the internet. Like attempted hacking, such violations have become more frequent over the years throughout the world. Both the aggregation of new services for members and clients and the exposure of online services are becoming increasingly complex and gradually extending to more and more areas and products. In addition, the authors of cyber threats are using increasingly sophisticated methods and

strategies for criminal purposes.

Although the Issuer and the Sella Group have adopted business continuity and disaster recovery plans, and implemented other IT risk policies, its IT systems may experience outages, delays or other failures or malfunctions due to design flaws, malicious attacks, hacking or other reasons.

The possible destruction, damage or loss of customer, employee or third-party data, as well as its removal, unauthorised processing or disclosure, would have a negative impact on the Sella Group's business and reputation and could subject the Sella Group to fines, with consequent negative effects on the Sella Group's business, results of operations or financial condition.

In addition, changes to relevant regulations could impose more stringent sanctions for violations, and could have a negative impact on the Sella Group's business insofar as they lead the Sella Group to incur additional compliance costs.

Risks related to the political, environmental, social and governance environment of the Issuer and the Sella Group

Risks associated with the general economic, financial and other business conditions

The results of the Issuer and the Sella Group are affected by global economic and financial conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Sella Group's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. Fluctuations in interest rates in Italy and in the Euro-zone and in the other markets in which the Issuer and the Sella Group operate may influence its performance.

In February 2022, a military conflict erupted between Russia and Ukraine following the invasion of Ukraine by Russia. This military conflict was followed by tensions which also involved certain western countries. As a result, the United States, Canada, the European Union and other countries and multinational organizations have announced and implemented sanctions of various types against Russia, such as the designation of a number of persons and entities, including major Russian banks, in "blocked person" lists, the removal of certain Russian banks from the SWIFT system that facilitates the transfer of money between banks, a prohibition on providing certain types of financing and financial services to certain companies or banks that are under public control or publicly owned, a prohibition on transactions with certain Russian counterparties, and the imposition of restrictions on the export to Russia of certain goods and technologies. In response to the foregoing sanctions, Russia replied with countersanctions on so-called "unfriendly" states (which specifically include countries of the European Union). Countersanctions imposed by Russia have led to a reduction in supply volumes or even a suspension of gas and oil deliveries. Should economic sanctions escalate further, Russia could take further legal action, which could affect European businesses (with their domicile in an "unfriendly State" from a Russian perspective).

The continuation of the conflict between Russia and Ukraine could negatively affect Italian, European and global macroeconomic conditions.

In addition, the Israel-Palestine conflict and geopolitical tensions in the Middle East as well as the escalating Chinese-Taiwanese tension could potentially have significant adverse effects on the European economy, inflation and the stability of international financial markets.

Furthermore, the Sella Group's and the Issuer's performance is affected by factors such as investor confidence, financial market liquidity, and the availability and cost of borrowing on the capital markets, all of which are by their very nature, connected to the general macroeconomic situation. The global

economic recovery may be further impacted by potential new rounds of restrictions that might be introduced by countries across the world, with the risk of further slowing down any expected recovery.

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

Risks related to a downgrade of the Italian sovereign credit rating

A downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur would be likely to have a material effect in depressing consumer confidence, restricting the availability and increasing the cost of funding for individuals and companies, depressing economic activity, increasing unemployment, reducing asset prices and consequently increasing the risk of a "double dip" recession.

Any downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur may severely destabilise the markets and have a material adverse effect on the Sella Group's operating results, financial condition, and prospects as well as on the marketability of the Notes. This might also impact the Sella Group's credit ratings, borrowing costs and access to liquidity.

The Issuer's and the Sella Group's financial performance are affected by borrower credit quality and general economic conditions, in particular in Italy and Europe

The Issuer monitors credit quality and manages the specific risk of each counterparty and the overall risk of the respective loan portfolios, and the Issuer and the Sella Group will continue to do so, but there can be no assurance that such monitoring and risk management will suffice to keep the Issuer's exposure to credit risk at acceptable levels. Any deterioration of the creditworthiness of significant individual customers or counterparties, or of the performance of loans and other receivables, as well as wrong assessments of creditworthiness or country risks may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Interest rate rises may also have an impact on the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Sella Group's debtors and counterparties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

As discussed above, these risks are exacerbated by concerns over the levels of the Italian public debt and its relative weaknesses. A downgrade of the Italian sovereign credit rating might restrict the availability of funding or increase its cost for individuals and companies at a local level. This might have a material adverse effect on the Issuer's and the Sella Group's operating results, financial conditions and business outlook.

The Issuer's and the Sella Group's financial performance is affected by "systemic risk"

In recent years, the global credit environment has been adversely affected by significant instances of default, and there can be no certainty that such instances will not occur in the future. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing

agencies, clearing houses, banks, securities firms and exchanges with which the Issuer and the Sella Group interact on a daily basis and therefore could adversely affect the Issuer and the Sella Group.

Catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the Issuer and the Sella Group

Catastrophic events, terrorist attacks and similar events, as well as the responses thereto, may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which the Issuer operates and, more specifically, on the business and results of the Issuer and the Sella Group in ways that cannot be predicted.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors.

The risks below have been classified into the following categories:

Risks applicable to all Notes

Risks applicable to the Senior Notes and the Non-Preferred Senior Notes

Risks applicable to the Subordinated Notes

Risks applicable to certain types of Exempt Notes

Risks related to the market generally

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer may, at its option, redeem Notes for tax reasons in the circumstances described in, and in accordance with, Condition 5.2 (*Redemption for tax reasons*) or, if so specified in the applicable Final Terms, in accordance with Condition 5.4 (*Redemption at the option of the Issuer (Issuer Call)*). If so

specified in the applicable Final Terms, the Issuer may also, at its option, redeem Senior Notes or Non-Preferred Senior Notes in the circumstances described in, and in accordance with, Condition 5.6 (*Issuer Call due to MREL Disqualification Event*).

Any redemption of the Senior Notes or Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption prescribed by the then applicable MREL Requirements (including any requirements applicable to such redemption due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities are available to meet the MREL Requirements). See “*Early redemption and purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted*” below for further information.

If so specified in the form of Final Terms, the Issuer may also, at its option, redeem Subordinated Notes following a change of the regulatory classification of the relevant Subordinated Notes in the circumstances described in, and in accordance with Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*).

Any redemption of the Subordinated Notes is subject to the prior approval of the relevant Competent Authority and in accordance with applicable laws and regulations and the relevant Regulatory Capital Requirements, including Articles 77 and 78 of the CRR. See “*Early redemption and purchase of the Subordinated Notes may be restricted*” and “*Regulatory classification of the Subordinated Notes*” and “*Regulatory classification of the Subordinated Notes*” below for further information.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

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

Waiver of set-off

As specified in Condition 2.1 (*Status of the Senior Notes*), Condition 2.2 (*Status of the Non-Preferred Senior Notes*) and Condition 2.3 (*Status of the Subordinated Notes*), each holder of, respectively, a Senior Note, a Non-Preferred Senior Note and/or a Subordinated Note will unconditionally and irrevocably waive any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise

have under the laws of any jurisdiction, in respect of such Senior Note, Non-Preferred Senior Note and/or Subordinated Note.

The Notes have limited Events of Default and remedies

The Events of Default in respect of the Notes, being events upon which the Noteholders may declare the Notes to be immediately due and payable, are limited to circumstances in which the Issuer is subject to *Liquidazione Coatta Amministrativa* as defined in the Italian Consolidated Banking Act as set out in Condition 8.1 (*Events of Default relating to Senior Notes and Non-Preferred Senior Notes and Subordinated Notes*). Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Notes, including without limitation the payment of any interest, the Noteholders will not have the right of acceleration in respect of any amount due under the Notes and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce the payment of any such amount. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Notes may be subject to loss absorption or any application of the general bail-in tool

The BRRD contemplates that the Notes may be subject to non-viability loss absorption, in addition to the application of the general bail-in tool.

For further information please see paragraph 5 (*Regulatory Capital*) under the section entitled “*The Issuer*”.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in Italian law or administrative practice

The Terms and Conditions are based on Italian law in effect as at the date of this Base Prospectus.

No assurance can be given as to the impact of any possible judicial decision or change to Italian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if Definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder

of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

No-gross up on withholding tax

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Tax changes may affect the tax treatment of the Notes

Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 ("**Law 111**"), delegates power to the Italian government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "**Tax Reform**").

According to Law 111, the Tax Reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage.

The information provided in this Base Prospectus may not reflect the future tax landscape accurately.

Investors should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realised under the Notes and could result in a lower return of their investment.

Prospective investors should consult their own tax advisors regarding the tax consequences described above.

Risk relating to the governing law of the Notes

The Terms and Conditions are governed by Italian law and Condition 13 (*Governing Law and Submission to Jurisdiction*) provides that contractual and non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Italian Law, pursuant to EU and Italian private international law provisions as applicable from time to time. Article 59 of Law No. 218 of 31 May 1995 (the **Italian Private International Law**) provides that "other debt securities" (*titoli di credito*) are governed by the law of the State in which the security was issued".

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

The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes or Reset Notes linked to or referencing such “benchmarks”

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

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of “benchmarks”, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU and it, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a rate or index deemed to be a benchmark, including, without limitation, any Floating Rate Notes linked to or referencing EURIBOR or any Reset Notes referencing the relevant swap rate for swap transactions in the Specified Currency (as specified in the relevant Final Terms or Pricing Supplement with respect to the relevant Reset Notes), in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. The euro risk free-rate working group for the euro area has also published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

Furthermore, in order to address systemic risk, on 2 February 2021 the Council of the European Union approved the final text of the Regulation (EU) 2021/168 amending the Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation, and amending Regulation (EU) No 648/2012. The new framework delegates the Commission to designate a replacement for benchmarks qualified as critical under the Regulation 2016/2011, where the cessation or wind-down of such a benchmark might significantly disrupt the functioning of financial markets within the European Union. In particular, the

designation of a replacement for a benchmark should apply to any contract and any financial instrument as defined in Directive 2014/65/EU that is subject to the law of a Member State. In addition, with respect to supervised entities, Regulation (EU) 2021/168 extends the transitional period for the use of third-country benchmarks until 2023 and the Commission may further extend this period until 2025 by a delegated act to be passed before 15 July 2023. On 10 February 2021 the Council of the European Union adopted the Regulation (EU) 2021/168 that was published in the Official Journal on 12 February 2021 and entered into force on the following day.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark, (ii) triggering changes in the rules or methodologies used in the benchmarks, and/or (iii) leading to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Reset Notes which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the relevant EURIBOR rate is to be determined under the Terms and Conditions, this may result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Reset Notes which reference the relevant EURIBOR.

The “*Terms and Conditions for the Notes*” provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the “*Terms and Conditions for the Notes*” are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 3.4 (*Benchmark Discontinuation*).

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

amount payable under, the Floating Rate Notes or Reset Notes. Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Floating Rate Notes or Reset Notes linked to or referencing a benchmark. No physical document of title issued in respect of the Notes issued in dematerialised form

To the extent applicable where indicated in the relevant Final Terms, Notes issued under the Programme will be issued in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and in accordance with the CONSOB and the Bank of Italy Joint Regulation (each as defined in the Terms and Conditions for the Notes). In no circumstance would physical documents of title be issued in respect of the Notes issued in dematerialised form. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer.

Risks applicable to the Senior Notes and the Non-Preferred Senior Notes

The Issuer's obligations under Non-Preferred Senior Notes rank junior to unsecured and unsubordinated preferred obligations of the Issuer

Banca Sella Holding's obligations under Non-Preferred Senior Notes will be unsecured, unsubordinated and non-preferred obligations of the Issuer and will rank junior in priority of payment to Senior Liabilities and claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes) of the Issuer for money borrowed or raised or guaranteed by the Issuer, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Non-Preferred Senior Notes may pay a higher rate of interest than comparable Senior Notes which are preferred, there is a real risk that an investor in Non-Preferred Senior Notes will lose all or some of his investment should the Issuer become insolvent.

Senior Notes and Non-Preferred Senior Notes could be subject to Issuer Call due to a MREL Disqualification Event

If at any time an MREL Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes, and the form of Final Terms for the Senior Notes or the Non-Preferred Senior Notes of such Series specify that Issuer Call due to a MREL Disqualification Event is applicable, the Issuer may (subject to the provisions of Condition 5.14 (*Conditions to Early Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes*)) elect to redeem all, but not some only, of the Senior Notes or the Non-Preferred Senior Notes of such Series. An MREL Disqualification Event means that, at any time, all or part of the aggregate outstanding nominal amount of such Series of Senior Notes or Non-Preferred Senior Notes is or will be excluded fully or partially from the eligible liabilities available to meet the MREL Requirements, subject to as set out in Condition 5.6 (*Issuer Call due to MREL Disqualification Event*). The applicability of the minimum requirements for eligible liabilities is subject

to the application, in the EU and in Italy, of the new EU regulatory framework under the BRRD II, SRM II Regulation, the CRD V Directive and the CRR II (the **EU Banking Framework**).

If the Senior Notes or the Non-Preferred Senior Notes are to be so redeemed, there can be no assurance that Noteholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Senior Notes or Non-Preferred Senior Notes being redeemed. Potential investors should consider reinvestment risk in light of other investments available at that time. In addition, an MREL Disqualification Event could result in a decrease in the market price of the Notes.

See also *“If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return”* above.

Early redemption and purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted

Any early redemption or purchase of Senior Notes and Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the then applicable MREL Requirements, including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities are available to meet the MREL Requirements.

In addition, under the EU Banking Framework, the early redemption or purchase of Senior Notes and Non-Preferred Senior Notes which qualify as eligible liabilities available to meet MREL Requirements is subject to the prior approval of the Competent Authority where applicable from time to time under the applicable laws and regulations. The EU Banking Framework states that the Competent Authority would approve an early redemption of the Senior Notes and Non-Preferred Senior Notes where any of the following conditions is met:

- (i) on or before such early redemption or purchase of the Senior Notes or Non-Preferred Senior Notes, the Issuer replaces the Senior Notes or Non-Preferred Senior Notes with own funds instruments or eligible liabilities of an equal or higher quality on terms that are sustainable for the income capacity of the Issuer;
- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such redemption or purchase, exceed the requirements for own funds and eligible liabilities set out in the CRD V Directive or the BRRD II (or, in either case, any relevant provisions of Italian law implementing the CRD V Directive or, as appropriate, the BRRD II) or the CRR II by a margin that the Competent Authority considers necessary; or
- (iii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR II and in the CRD V Directive for continuing authorisation.

The Competent Authority shall consult with the Relevant Resolution Authority before granting that permission, as requested pursuant to the EU Banking Framework.

Senior Notes and Non-Preferred Senior Notes may be subject to modification without Noteholders' consent

If Variation is specified as being applicable in the circumstances described in (i) and/or (ii) below in the relevant Final Terms for any Series of Senior Notes or Non-Preferred Senior Notes then (i) at any time an MREL Disqualification Event, a Tax Event or an Alignment Event occurs, and/or as applicable (ii) in order to ensure the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Senior Notes or Non-Preferred Senior Notes of that Series) and having given not less than 30 nor more than 60 days' notice (or such other notice periods as may be specified in the form of Final Terms) to Monte Titoli, the Paying Agent and the holders of the Notes of that Series, at any time vary the terms of Senior Notes or Non-Preferred Senior Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

Senior Notes and Non-Preferred Senior Notes may be subject to loss absorption on any application of the general bail-in-tool

Investors should be aware that Senior Notes and Non-Preferred Senior Notes may be subject to write-down or conversion into equity capital instruments on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of the general bail-in tool, or any other power under the BRRD or any suggestion or perceived suggestion of such exercise could, therefore, materially adversely affect the rights of holders of Senior Notes and Non-Preferred Senior Notes, the price or value of their investment in any such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes. Any shares issued to holders of Senior Notes or Non-Preferred Senior Notes upon any such conversion into equity capital instruments may be of little value at the time of conversion and may also be subject to any future application of the BRRD.

Risks applicable to the Subordinated Notes

An investor in Subordinated Notes assumes an enhanced risk of loss in the event of insolvency of Banca Sella Holding

Banca Sella Holding's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which are subordinated but to a lesser degree than the obligations under the relevant Subordinated Notes) of the Issuer for money borrowed or raised or guaranteed by the Issuer, as the case may be, and any indebtedness or mandatory payment obligations

preferred by the laws of the Republic of Italy. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

In no event will holders of Subordinated Notes be able to accelerate the obligations of the Issuer under Subordinated Notes held by them; such holders will have claims only for amounts then due and payable on their Subordinated Notes. After the Issuer has fully paid all deferred interest on any issue of Subordinated Notes and if that issue of Subordinated Notes remains outstanding, future interest payments on that issue of Subordinated Notes will be subject to further deferral.

Subordinated Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD

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 Subordinated Notes at the point of non-viability and before any other resolution action is taken, with losses absorbed in accordance with the priority of claims under normal insolvency proceedings (**Non-Viability Loss Absorption**). Any shares issued to holders of Subordinated 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 Subordinated Notes) contribute to the costs of restructuring.

As a result, Subordinated 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 Sella 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 Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, Subordinated 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 Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Subordinated Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

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 Consolidated Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Consolidated 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.

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 fund 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 Subordinated Notes which at the relevant time are not qualified in whole or in part as own funds items. 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 are 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 the 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, may be subject to the burden sharing requirements of such legislation.

Early redemption and purchase of the Subordinated Notes may be restricted

Any early redemption or purchase of Subordinated Notes is subject to compliance with the then applicable Regulatory Capital Requirements, including for the avoidance of doubt:

- (a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes (in each case subject to, and in accordance with, the then applicable Regulatory Capital Requirements, including Articles 77 and 78 of the CRR, as amended or replaced from time to time), where either:
 - (i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Regulatory Capital Requirements by a margin that the Competent Authority considers necessary at such time; and

- (b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRR or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, as amended from time to time:
- (i) in the case of redemption pursuant to Condition 5.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or
 - (ii) in case of redemption pursuant to Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*), if there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2" capital at individual or consolidated basis (in whole or in part), provided that, in case of exclusion in part, such exclusion is not as a result of amortisation or any limits on the amount of "Tier 2" capital applicable to the Issuer and, in respect of any redemption of the relevant Subordinated Notes proposed to be made prior to the fifth anniversary of the Issue Date, both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes; or
 - (iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or
 - (iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Regulatory Capital Requirements for the time being.

There can be no assurance that the relevant Competent Authority will permit such redemption or purchase. In addition, the Issuer may elect not to exercise any option to redeem any Subordinated Notes early or at any time. Holders of Subordinated Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

Regulatory classification of the Subordinated Notes

The intention of Banca Sella Holding is for Subordinated Notes to qualify on issue as "Tier 2 capital" for regulatory capital purposes.

Although it is Banca Sella Holding's expectation that the Subordinated Notes qualify on issue as "Tier 2 capital", there can be no representation that this is or will remain the case during the life of such Subordinated Notes. If there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2 capital" and, in respect of any redemption of the relevant Subordinated Notes proposed to be made prior to the fifth anniversary of their Issue Date, both of the following conditions are met: (i) the Competent Authority (as defined in Condition 5.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes*)) considers

such a change to be reasonably certain and (ii) Banca Sella Holding demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by Banca Sella Holding as at the date of the issue of the relevant Subordinated Notes, Banca Sella Holding will (if so specified in the form of Final Terms) have the right to redeem the Subordinated Notes in accordance with Condition 5.3 *Redemption for regulatory reasons (Regulatory Call)*, subject to, *inter alia*, the prior approval of the relevant Competent Authority and in accordance with the then applicable Regulatory Capital Requirements and laws and regulations, including Articles 77 and 78 of the CRR. There can be no assurance that holders of such Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes, as the case may be. In addition, the occurrence of such event could result in a decrease in the market price of the Notes.

Also, under certain circumstances, the Issuer may, as specified in the risk factor “*Subordinated Notes may be subject to modification without Noteholders' consent*” below, at any time vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Subordinated Notes.

Subordinated Notes may be subject to modification without Noteholders' consent

If Variation is specified as being applicable in the circumstances described in paragraphs (i) and/or (ii) below in the relevant Final Terms, for any Series of Subordinated Notes then (i) at any time Regulatory Event, a Tax Event or an Alignment Event occurs and/or as applicable (ii) in order to ensure the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*) for any Series of Subordinated Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Subordinated Notes of that Series), and having given not less than 30 nor more than 60 days' notice (or such other notice periods as may be specified in the form of Final Terms) to Monte Titoli, the Paying Agent and the holders of the Notes of that Series, at any time, vary the terms of Subordinated Notes so that they remain or, as appropriate, become, Qualifying Subordinated Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Subordinated Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Subordinated Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of the Reset Notes

Reset Notes will initially bear interest at the Initial Rate of Interest from and including the Interest Commencement Date up to but excluding the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate of Interest**). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

Risks applicable to certain types of Exempt Notes

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of its investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of its investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related

features, their market values may be even more volatile than those for securities that do not include those features.

Risks related to the market generally

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

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

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the Notes are traded after their initial issuance, they may be traded at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial conditions of the Issuer. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than conventional debt securities. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount..

If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. The expected ratings of the Notes are set out in the relevant Final Terms for each Tranche of Notes. Whether or not a rating in relation to any Notes will be treated as having been issued or endorsed by a credit rating agency established in the European Union or in the UK and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

Any rating agency may lower its rating or withdraw its rating if, in the sole judgement of the rating agency, the credit quality of the Notes has declined or is in question. If any rating assigned to the Notes is suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes. As a result, the market value of the Notes may reduce.

Any ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country registered rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

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

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

information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Risk related to inflation

The repayment of the nominal amount of the Notes at maturity does not protect investors from the risk of inflation, i.e. it does not guarantee that the purchasing power of the invested capital will not be affected by the increase in the general price level of consumer products. Consequently, the real return of the Notes, which is the adjusted return taking into account the inflation rate measured during the life of the Notes themselves, could be negative.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated by reference in, and form part of, this Base Prospectus:

- (a) the English translation of the audited consolidated financial statements for the financial year ended on 31 December 2023 of the Issuer including the information set out at the following pages in particular:

	Page references refer to the pagination of the aggregate relevant pdf document	
Consolidated Management Report	Pages	9–389
Consolidated balance sheet	Pages	391–392
Consolidated Income Statement	Page	393
Consolidated Statement of Comprehensive Income	Page	394
Statement of Changes in the Consolidated Shareholders' Equity as at 31 December 2022	Pages	395–396
Cash Flows Statement	Pages	397–398
Explanatory Notes	Pages	399–629
Audit Firm's Report	Pages	630–637

The document is available at the following link:
HTTPS://WWW.SELLA.IT/SSRDOCUMENTDISPLAYER?DTDPG=GBS_ANNUALEINGLESE2023&DTDPE=1

- (b) the English translation of the audited consolidated financial statements for the financial year ended on 31 December 2022 of the Issuer including the information set out at the following pages in particular:

	Page references refer to the pagination of the aggregate relevant pdf document	
Executive Summary	Pages	8–316
Consolidated Balance Sheet	Pages	318–319
Consolidated Income Statement	Page	320
Consolidated Statement of Comprehensive Income	Page	321
Statement of Changes in Consolidated Shareholders' Equity	Pages	322–323
Consolidated Cash Flows Statement	Pages	324

Explanatory Notes	Pages	325–565
Independent auditor’s report	Pages	566 – 573

The document is available at the following link:
HTTPS://WWW.SELLA.IT/SSRDOCUMENTDISPLAYER?DTDPG=GBS_ANNUALEINGLESE2022&DTDPE=1..

- (c) the English translation of the press release “Sella, very positive results for 2023 as growth continues” published on 9 February 2024, including the information set out at the following pages in particular:

entire document.

The document is available at the following link:
HTTPS://WWW.SELLA.IT/SSRDISPLAYERI?DOCCODE=BSE_BILANCIO_23_EN.

- (d) the English translation of the press release “Sella, positive first quarter 2024 results” published on 10 May 2024, including the information set out at the following pages in particular:

entire document.

The document is available at the following link:
HTTPS://WWW.SELLA.IT/SSRDISPLAYERI?DOCCODE=BSE_BILANCIO_Q1_24_EN.

The information contained in the documents that is not included in the cross-reference are either not relevant for the investors or covered elsewhere in the Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any websites save for those listed as documents incorporated by reference above, included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus, except where that information has been incorporated by reference into this Prospectus. Other than the information incorporated by reference, the content of these websites has not been scrutinised or approved by the competent authority.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Any reference in this section to "Form of Final Terms" shall be deemed to include a reference to "Applicable Pricing Supplement" where relevant.

The Notes of each Tranche will be issued as specified in the applicable Final Terms.

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli. The expression **Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg.

The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Joint Regulation. The Noteholders may not require physical delivery of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Articles 83-*quinquies* and 83-*sexies* of the Financial Services Act.

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

FORM OF FINAL TERMS

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE, OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes and which have a denomination of €100,000 (or its equivalent in any other currency) or more.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.^{1]}

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation².]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible

¹ Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

² Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Date]

BANCA SELLA HOLDING S.p.A.

Legal entity identifier (LEI): 549300ABE4K96QOCEH37

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €1,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions for the Notes (the **Conditions**) set forth in the Base Prospectus dated 21 June 2024 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.luxse.com).]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. (a) Series Number: []
(b) Tranche Number: []

- (c) [Date on which the Notes will be consolidated and form a single Series:] [The Notes will be consolidated and form a single Series with *[Provide issue amount/ISIN/maturity date/issue date of earlier Tranches]* on [the Issue Date/insert date] [Not Applicable]
- (delete this paragraph if Not Applicable)*
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
5. (a) Specified Denominations: []

(N.B. Senior Notes must have a minimum denomination of at least €100,000 (or equivalent). In the case of Non-Preferred Senior Notes, Notes must have a minimum denomination of at least €150,000 (or equivalent). In the case of Subordinated Notes, Notes must have a minimum denomination of at least €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.")

(Note - where multiple denominations above [€150,000] or equivalent are being used the following sample wording should be followed:

"[€150,000] and integral multiples of [€1,000] in excess thereof.")

(Note - where multiple denominations above [€200,000] or equivalent are being used the following sample wording should be followed:

"[€200,000] and integral multiples of [€1,000] in excess thereof.")

- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]*
- (Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable to the issue of Notes by the Issuer, Non-Preferred Senior Notes must have a maturity of not less than twelve months and Subordinated Notes must have a minimum maturity of five years).*
8. Interest Basis: [[] per cent. Fixed Rate]
- [[] per cent. to be reset on [] [and []] and every [] anniversary thereafter]
- [[[] month EURIBOR] +/- [] per cent. Floating Rate]
- [Zero Coupon]
- (see paragraph [13]/[14]/[15]/[16] below)
9. Redemption[/Payment] Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount³]/[[●] in case of Zero Coupon Notes]
10. Change of Interest Basis: *[Specify the date when any fixed to floating rate or vice versa change occurs or cross refer to*

³ Redemption shall occur at at least 100% of the par value

paragraphs 13 and 15 below and identify there]
[Not Applicable]

11. Put/Call Options:

[Issuer Call]

[Regulatory Call]

(N.B. Only relevant in the case of Subordinated Notes)

[Issuer Call due to MREL Disqualification Event]

(N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)

[Investor Put]

(N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)

[Issuer Call – Clean-Up Redemption Option]

[(see paragraph [19]/[20]/[21]/[22]/[23] below)]

[Not Applicable]

12. (a) Status of the Notes:

[Senior/Non-Preferred Senior/Subordinated] Notes

(b) [Date [Board] approval for issuance of Notes obtained:

[] [and [], respectively]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Rate(s) of Interest:

[] per cent. per annum payable in arrear on each Interest Payment Date

(b) Interest Payment Date(s):

[] in each year commencing on [...] up to and including the Maturity Date

(Amend appropriately in the case of irregular coupons)

- (c) Fixed Coupon Amount(s): [[] per Calculation Amount[, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
- (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
14. Reset Note Provisions: [Applicable/Not Applicable]
- (a) Initial Rate of Interest: [] per cent. per annum payable in arrear [on each Interest Payment Date]
- (b) First Margin: [+/-][] per cent. per annum
- (c) Subsequent Margin: [[+/-][] per cent. per annum] [Not Applicable]
- (d) Interest Payment Date(s): [] [and []] in each year up to and including the Maturity Date [until and excluding []]
- (e) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[] per Calculation Amount][Not Applicable]
- (f) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (g) First Reset Date: []
- (h) Second Reset Date: []/[Not Applicable]
- (i) Subsequent Reset Date(s): [] [and []]
- (j) Relevant Screen Page: [●]/[Not Applicable]
- (k) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (l) Mid-Swap Maturity: []
- (m) Day Count Fraction: [Actual/Actual / Actual/Actual (ISDA)]
[Actual/365 (Fixed)]

- [Actual/365 (Sterling)]
 [Actual/360]
 [30/360/360/360/Bond Basis]
 [30E/360/Eurobond Basis]
 [30E/360 (ISDA)]
 [Actual/Actual ICMA]
- (n) Reset Reference Rate Conversion: [Applicable/Not Applicable]
- (o) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
- (p) Determination Dates: [] in each year
- (q) Business Centre(s): []
- (r) Calculation Agent: [Paying Agent/[]]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Paying Agent): [[] (the **Calculation Agent**)/Not Applicable]
- (e) Screen Rate Determination:
- Reference Rate: [•] month EURIBOR
 - Interest Determination Date(s): [•]
(Second day on which the T2 is open prior to the start of each Interest Period)
 - Relevant Screen Page: []

(If not Reuters EURIBOR01 ensure it is a page which shows a composite rate)

- (f) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (g) Margin(s): [+/-] [] per cent. per annum
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]
17. Change of Interest Basis Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (To be completed in addition to paragraphs 13 and 15 (as appropriate) if any fixed to floating or fixed reset rate change occurs)*
- Switch Option: [Applicable – *[specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies]*]/[Not Applicable]

(The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 10 (Notices) of the Terms and Conditions for the Notes on or prior to the relevant Switch Option Expiry Date)

– Switch Option Expiry Date: []

– Switch Option Effective Date: []

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for [Condition 5.2 (Redemption for tax reasons) of the Terms and Conditions for the Notes]: Minimum period: [30] days
Maximum period: [60] days

19. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): []

(b) Optional Redemption Amount: [[] per Calculation Amount][Make-whole Amount]

[Set out appropriate variable details in this pro forma, for example reference obligation]

(c) Reference Bond: [Insert applicable Reference Bond/FA Selected Bond]

(d) Quotation Time: [11.00 a.m. [Milan/ specify other] time]

(e) Redemption Margin: [[] per cent./Not Applicable]

(f) If redeemable in part:

– Minimum Redemption Amount: []

– Maximum Redemption Amount: []

(g) Notice periods: Minimum period: [15] days
Maximum period: [30] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems)

(which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent)

20. Regulatory Call: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph.)

(N.B. Only relevant in the case of Subordinated Notes)

(a) Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRR) as contemplated by Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Notes and/or the method of calculating the same (if required or if different from that set out in Condition 5.8 (*Early Redemption Amounts*) of the Terms and Conditions for the Notes: [[] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*) of the Terms and Conditions for the Notes]

21. Issuer Call due to MREL Disqualification Event: [Applicable]/[Not Applicable]

(Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)

(a) Early Redemption Amount: [[] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*) of the Terms and Conditions for the Notes]

22. Investor Put: [Applicable]/[Not Applicable]

(Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*
- (c) Notice periods: Minimum period: [15] days
- Maximum period: [30] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent)*
23. Clean-up Call Option: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Clean-up Call Percentage: [75 per cent. / [·] per cent]
- (b) Clean-Up Redemption Amount: [·]
24. Final Redemption Amount: [] per Calculation Amount
25. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount
- (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*
- [See also paragraph 20 (Regulatory Call)] (Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable)*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Additional Financial Centre(s): [Not Applicable/ *give details*]

(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates)

27. Variation: [Not Applicable]/[Applicable] / [Applicable [only] [in relation to a MREL Disqualification Event], a Tax Event or an Alignment Event (Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)/a Regulatory Event, a Tax Event or an Alignment Event (*Only relevant in the case of Subordinated Notes*)]and]/[in order to ensure the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*) of the Terms and Conditions for the Notes]

(a) Notice Period: []

[THIRD PARTY INFORMATION

[[Relevant third party information] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [name of the Issuer]:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify (i) relevant regulated market (for example the Bourse de Luxembourg) and also any third country market, SME growth market or MTF, and (ii) if relevant, listing on an official list] with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify (i) relevant regulated market (for example the Bourse de Luxembourg) and also any third country market, SME growth market or MTF, and (ii) if relevant, listing on an official list] with effect from [].]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses in relation to admission to trading: []

2. RATINGS

[The Notes to be issued [[have been]/[are expected]] to be rated]/[The following ratings assigned to the Notes of this type issued under the Programme generally:][Not applicable]

[insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[●] (Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider)

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[Each of [defined terms] / [●] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended, the

CRA Regulation) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the European Securities and Markets Authority webpage) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) / [●] is established in the UK and is registered under Regulation (EC) No 1060/2009 as amended, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time, the **UK CRA Regulation**) / [have not been issued or endorsed by any credit rating agency which is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended, the **CRA Regulation**) / have not been issued or endorsed by any credit rating agency which is established in the UK and registered under Regulation (EC) No 1060/2009 as amended, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time, the **UK CRA Regulation**)].

(Include the relevant wording as applicable depending on the relevant rating agency assigning a rating to the Notes issued).

3. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

(i) Use of proceeds: [The net proceeds from the issue of the Notes will be used for general funding purposes of the Sella Group]/[·]

(ii) Estimated net proceeds: []

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – Amend as appropriate if there are other interests]

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]

5. YIELD (Fixed Rate Notes only)

Indication of yield: [[•]]/[Not applicable]

6. OPERATIONAL INFORMATION

(i) ISIN: [•]

(ii) Common Code: [•] [Not Applicable]

(iii) CFI: *[[include code]*, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: *[[include code]*, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Monte Titoli and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): []/[Not applicable]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be settled through Monte Titoli and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, the Eurosystem eligibility criteria could be amended in the future such that the Notes are capable of meeting them. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day

credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Date of [Subscription] Agreement: []
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2;/ TEFRA not applicable]
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified).
- (viii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified).
- (ix) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

APPLICABLE PRICING SUPPLEMENT

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.⁵

[**MIFID II/UK MIFIR product governance / target market** – *[appropriate target market legend to be included]*]

EXEMPT NOTES OF ANY DENOMINATION

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

[Date]

BANCA SELLA HOLDING S.p.A.

Legal entity identifier (LEI): 549300ABE4K96QOCEH37

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €1,000,000,000**

⁴ Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

⁵ Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.]⁶

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the base prospectus dated 21 June 2024 [and the supplement[s] to it dated [date] [and [date]] (the **Base Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. (a) Series Number: []
(b) Tranche Number: []
(c) [Date on which the Notes will be consolidated and form a single Series:] The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/insert date] [Not Applicable]
(delete this paragraph if Not Applicable)
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
 - (a) Series: []
 - (b) Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5. (a) Specified Denominations: []

⁶ Include relevant legend wording here for the [EEA][and][UK] if the "Prohibition of Sales" legend and related selling restriction for that regime are not included/not specified to be "Applicable" (because the Notes do not constitute "packaged" products, or a key information document will be prepared, under that regime).

(N.B. Senior Notes must have a minimum denomination of at least €100,000 (or equivalent). In the case of Non-Preferred Senior Notes, Notes must have a minimum denomination of at least €150,000 (or equivalent). In the case of Subordinated Notes, Notes must have a minimum denomination of at least €200,000 (or equivalent)).

- (b) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
6. (a) Issue Date: []
(b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
7. Maturity Date: [*Specify date or for*
*Floating Rate Notes – Interest Payment Date falling in or nearest to [*specify month and year*]*
(Unless otherwise permitted by current laws, regulations, directives and/or requirements applicable to the issue of Notes by the Issuer, Non-Preferred Senior Notes must have a maturity of not less than twelve months and Subordinated Notes must have a minimum maturity of five years).
8. Interest Basis: [[] per cent. Fixed Rate]
[[] per cent. to be reset on [] [and [] and every [] anniversary thereafter]
[[*specify Reference Rate*] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[*specify other*]
(further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]

- [Index Linked Redemption]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [*specify other*]
10. Change of Interest Basis or Redemption/Payment Basis: [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 15 below and identify there*][Not Applicable]
11. Put/Call Options:
- [Issuer Call]
- [Regulatory Call]
(N.B. Only relevant in the case of Subordinated Notes)
 [Issuer Call due to MREL Disqualification Event]
(N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)
- [Investor Put]
(N.B. Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)
- [Issuer Call – Clean-Up Redemption Option]
- [(further particulars specified below)]
12. (a) Status of the Notes: [Senior/ Non-Preferred Senior/Subordinated] Notes
- (b) [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year commencing on [...] up to and including the Maturity Date

(Amend appropriately in the case of irregular coupons)

- (c) Fixed Coupon Amount(s): [[] per Calculation Amount[, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/ *specify other*]
- (f) [Determination Date(s): [] in each year][Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]

14. Reset Note Provisions: [Applicable/Not Applicable]

- (a) Initial Rate of Interest: [] per cent. per annum payable in arrear [on each Interest Payment Date]
- (b) First Margin: [+/-][] per cent. per annum
- (c) Subsequent Margin: [[+/-][] per cent. per annum] [Not Applicable]
- (d) Interest Payment Date(s): [] [and []] in each year up to and including the Maturity Date [until and excluding []]
- (e) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[] per Calculation Amount][Not Applicable]
- (f) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (g) First Reset Date: []
- (h) Second Reset Date: []/[Not Applicable]
- (i) Subsequent Reset Date(s): [] [and []]

- (j) Relevant Screen Page: /[Not Applicable]
- (k) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (l) Mid-Swap Maturity []
- (m) Day Count Fraction: [Actual/Actual / Actual/Actual (ISDA)]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360/360/360/Bond Basis]
 [30E/360/Eurobond Basis]
 [30E/360 (ISDA)]
 [Actual/Actual ICMA]
- (n) Reset Reference Rate Conversion: [Applicable/Not Applicable]
- (o) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
- (p) Determination Dates: [] in each year
- (q) Business Centre(s): []
- (r) Calculation Agent: [Paying Agent/[]]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates [][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]] [Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Paying Agent): [[] (the **Calculation Agent**)/Not Applicable]
- (e) Screen Rate Determination:
- Reference Rate: month EURIBOR

- Interest Determination Date(s):
(Second day on which the T2 is open prior to the start of each Interest Period)
 - Relevant Screen Page:
(If not Reuters EURIBOR01 ensure it is a page which shows a composite rate)
- (f) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (g) Margin(s): [+/-] [] per cent. per annum
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 [30E/360 (ISDA)]
 [Other]
- (k) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: []
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable for []

Zero Coupon Notes which are Exempt Notes:

- (d) Day Count Fraction in relation to [30/360]
Early Redemption Amounts: [Actual/360]
[Actual/365]
17. Index Linked Interest Note [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: Paying Agent/[give name]
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Specified Period(s)/Specified Interest Payment Dates: []
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ specify other]
- (f) Additional Business Centre(s): []
- (g) Minimum Rate of Interest: [] per cent. per annum
- (h) Maximum Rate of Interest: [] per cent. per annum
- (i) Day Count Fraction: []
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Paying Agent): [[] (the **Calculation Agent**)/Not Applicable]

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: []
19. Change of Interest Basis Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (To be completed in addition to paragraphs 13 and 15 (as appropriate) if any fixed to floating or fixed reset rate change occurs)*
- Switch Option: [Applicable – *[specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies]*]/[Not Applicable]
- (The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 10 (Notices) of the Terms and Conditions for the Notes on or prior to the relevant Switch Option Expiry Date)*
- Switch Option Expiry Date: []
- Switch Option Effective Date: []

PROVISIONS RELATING TO REDEMPTION

20. Notice periods for Condition 5.2 *(Redemption for tax reasons)* of the Terms and Conditions for the Notes: Minimum period: [30] days
Maximum period: [60] days
21. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/[Make-whole Amount/] *specify other/see Appendix*]
- (c) Reference Bond: [Insert applicable Reference Bond/FA Selected Bond]

(d) Quotation Time: [11.00 a.m. [Milan/ *specify other*] time]

(e) Redemption Margin: [[] per cent./Not Applicable]

(f) If redeemable in part:

– Minimum Redemption Amount: []

– Maximum Redemption Amount: []

(g) Notice periods: Minimum period: [15] days

Maximum period: [30] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent.)

22. Regulatory Call: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph.)

(N.B. Only relevant in the case of Subordinated Notes)

(a) Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRR) as contemplated by Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Notes and/or the method of calculating the same (if required or if different from that set out in [[] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*) of the Terms and Conditions for the Notes]

Condition 5.8 (*Early Redemption Amounts*) of the Terms and Conditions for the Notes:

23. Issuer Call due to MREL Disqualification Event: [Applicable]/[Not Applicable]
- (Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)
- (a) Early Redemption Amount: [[] per Calculation Amount/as set out in Condition 5.8 (*Early Redemption Amounts*) of the Terms and Conditions for the Notes]
24. Investor Put: [Applicable]/[Not Applicable]
- (Only relevant in the case of Senior Notes or Non-Preferred Senior Notes)
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent.)
25. Clean-up Call Option: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- a) Clean-up Call Percentage: [75 per cent. / [·] per cent]
- b) Clean-Up Redemption Amount: [·]

26. Final Redemption Amount: [[] per Calculation Amount/ *specify other/see Appendix*]
27. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): [[] per Calculation Amount/ *specify other/see Appendix*]
- (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*
- [See also paragraph 22 (Regulatory Call)] (Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable)*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Additional Financial Centre(s): [Not Applicable/ *give details*]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) and 17(f) relate)
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. [Not Applicable/ *give details.*]
30. Details relating to Instalment Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Instalment Amount(s): [*give details*]
- (b) Instalment Date(s): [*give details*]
31. Other terms or special conditions: [Not Applicable/ *give details*]
32. Variation: [Not Applicable] / [Applicable] / [Applicable [only]
[in relation to a MREL Disqualification Event, a Tax Event or an Alignment Event (*Only relevant in the case of Senior Notes or Non-Preferred Senior*

Notes)/a Regulatory Event, a Tax Event or an Alignment Event (*Only relevant in the case of Subordinated Notes*)][and]/[in order to ensure the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*) of the Terms and Conditions for the Notes]

(a) Notice Period: []

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of [name of the Issuer]:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market – note this must not be an EEA regulated market*] with effect from [].] [Not Applicable]
2. **RATINGS**
- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].
- (The above disclosure is only required if the ratings of the Notes are different to those stated in the Base Prospectus)*
3. **USE OF PROCEED**
- [The net proceeds from the issue of the Notes will be used for general funding purposes of the Sella Group]/[.]
4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
- [Save for any fees payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]
- [(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*
5. **OPERATIONAL INFORMATION**
- (i) ISIN: []
- (ii) Common Code: [] [Not Applicable]
- (iii) CFI: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

- (iv) FISN: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Monte Titoli and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []/[Not applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]
 [Note that the designation "yes" simply means that the Notes are intended upon issue to be settled through Monte Titoli and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]/
 [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, the Eurosystem eligibility criteria could be amended in the future such that the Notes are capable of meeting them. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: []

- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2;/ TEFRA not applicable]
- (vii) Additional selling restrictions: [Not Applicable/*give details*]
- (Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)*
- (viii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*
- (ix) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.)*
- (x) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

TERMS AND CONDITIONS FOR THE NOTES

*The following are the Terms and Conditions applicable to each Series of the Notes (the **Terms and Conditions for the Notes**, the **Terms and Conditions** or the **Conditions**). The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following terms and conditions for the purpose of such notes. The form of final terms (or the relevant provisions thereof) will complete these Terms and Conditions. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

*Any reference in these Terms and Conditions to "Noteholders" or "holders" in relation to any Notes shall mean the beneficial owners of the Notes and evidenced in book entry form with Euronext Securities Milan (former Monte Titoli S.p.A.) with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy (**Monte Titoli**) pursuant to the relevant provisions of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and in accordance with the CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as subsequently amended and supplemented from time to time (the **CONSOB and Bank of Italy Joint Regulation**). No physical document of title will be issued in respect of the Notes. Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) are intermediaries authorised to operate through Monte Titoli.*

This Note is one of a Series (as defined below) of Notes issued by Banca Sella Holding S.p.A. (the **Issuer**). The Issuer will also act as initial paying agent (the **Paying Agent**), save that the Issuer is entitled to appoint a different Paying Agent in accordance with Condition 9 (Agents).

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

In these Terms and Conditions, the expression **Monte Titoli Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions or, if this Note is a Note which is neither admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the European Economic Area or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the form of Final Terms are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof). Any reference in the Conditions to **form of Final Terms** shall be deemed to include a reference to applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the form of Final Terms will be published on the website of the Luxembourg Stock Exchange (www.luxse.com). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of such Notes and identity.

The rights and powers of the Noteholders may only be exercised in accordance with relevant provisions for meetings of Noteholders attached to and deemed to form part of these Conditions (the **Provisions for Meetings of Noteholders**). The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Provisions for Meetings of Noteholders.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their respective date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg.

The Notes will at all times be evidenced by, and title to the Notes will be established or transferred by way of, book-entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Jointed Regulation. No physical document of title will be issued in respect of the Notes.

The Notes are issued in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the form of Final Terms, provided that (i) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Senior Note shall be at least Euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), (ii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Subordinated Note shall be at least Euro 200,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), and (iii) the minimum Specified Denomination of each Note which is specified in the form of Final Terms as being a Non-Preferred Senior Note shall be at least Euro 150,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note or a Zero Coupon Note (each as hereinafter defined), or a combination of any of the foregoing, depending upon the Interest Basis shown in the form of Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note (each as hereinafter defined) or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note may also be a Senior Note, a Non-Preferred Senior Note or a Subordinated Note, as indicated in the form of Final Terms.

Notes will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli. References to the records of Euroclear and/or Clearstream, Luxembourg shall be to the records for which Monte Titoli acts as depository. References to Monte Titoli, Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the form of Final Terms.

2. STATUS OF THE NOTES AND SUBORDINATION

The form of Final Terms will indicate whether the Notes are Senior Notes, Non-Preferred Senior Notes or Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

2.1 *Status of the Senior Notes*

This Condition 2.1 applies only to Senior Notes (and, for the avoidance of doubt, does not apply to Non-Preferred Senior Notes).

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

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

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

2.2 *Status of the Non-Preferred Senior Notes*

This Condition 2.2 applies only to Non-Preferred Senior Notes (and, for the avoidance of doubt, does not apply to Senior Notes).

- (a) The Non-Preferred Senior Notes (being notes intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-*bis* of the Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Consolidated**

Banking Act) constitute direct, unconditional, unsubordinated, and unsecured and non-preferred obligations of the Issuer, ranking:

- (i) junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes,
 - (ii) *pari passu* without any preferences among themselves, and with all other present or future obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Non-Preferred Senior Notes; and
 - (iii) in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-*bis*, letter c-*bis* of the Italian Consolidated Banking Act.
- (b) Each holder of a Non-Preferred Senior Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction in respect of such Non-Preferred Senior Note.
- (c) For the avoidance of doubt, there is no negative pledge provision in these Conditions.

2.3 Status of the Subordinated Notes

This Condition 2.3 applies only to Subordinated Notes.

- (a) Subject as set out below, the Subordinated Notes (being notes intended to qualify as Tier 2 Capital for regulatory capital purposes, in accordance with Part II, Chapter 1 of the Bank of Italy's *Disposizioni di Vigilanza Prudenziiale per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time (the Bank of Italy Regulations), including any successor regulations, and Article 63 of the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended from time to time (the **CRR**)) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank:
- (i) after all unsubordinated, unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer and after all creditors of the Issuer holding instruments that are or are expressed by their terms to be less subordinated than the relevant Subordinated Notes;
 - (ii) at least *pari passu* without any preferences among themselves, and with all other present and future subordinated obligations of the Issuer that are not expressed by their terms to rank or which do not rank junior or senior to the relevant Subordinated Notes (save for those preferred by mandatory and/or overriding provisions of law); and
 - (iii) in priority to the claims of shareholders of the Issuer and to all other present and future subordinated obligations of the Issuer which rank or are expressed by their terms to rank junior to the relevant Subordinated 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 Non-Preferred Senior Notes) of the Issuer, *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or 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 do not qualify or have so ceased to qualify, in their entirety, as own funds in the form of Tier 2 capital) and senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*).

- (b) In relation to each Series of Subordinated Notes all Subordinated Notes of such Series will be treated equally and all amounts paid by the Issuer in respect of principal and interest thereon will be paid pro rata on all Subordinated Notes of such Series.
- (c) Each holder of a Subordinated Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Subordinated Note.
- (d) For the avoidance of doubt, there is no negative pledge provision in these Conditions.

3. INTEREST

3.1 *Interest on Fixed Rate Notes*

This Condition 3.1 applies to Fixed Rate Notes only. The form of Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the form of Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. The Rate of Interest may be specified in the form of Final Terms either (i) as the same Rate of Interest for all Fixed Interest Periods or (ii) as a different Rate of Interest in respect of one or more Fixed Interest Periods.

Except as provided in the form of Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the form of Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes where an applicable Fixed Coupon Amount or Broken Amount is specified in the form of Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) the aggregate outstanding nominal amount of the Fixed Rate Notes (or, if they are Partly Paid Notes, the aggregate amount paid up)
- (b) and multiplying such sum by the applicable Day Count Fraction.

The resultant figure shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 3.1:

- (i) if "Actual/Actual (ICMA)" is specified in the form of Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the form of Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the form of Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on

the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

3.2 *Interest on Reset Notes*

(a) **Rates of Interest and Interest Payment Dates**

Each Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the form of Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, subject to Condition 3.4 (*Benchmark Discontinuation*) and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 3.1 (*Interest on Fixed Rate Notes*). Unless otherwise stated in the applicable Final Terms the Rate of Interest (inclusive of the First or Subsequent Margin) shall not be deemed to be less than zero.

(b) **Reset Reference Rate Conversion**

This Condition 3.2(b) is only applicable if Reset Reference Rate Conversion is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable.

The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to a basis which matches the frequency of Interest Payment Dates in respect of the relevant Notes.

For the purposes of the Conditions:

Calculation Agent means the Paying Agent or such other entity designated for such purpose as is specified in the applicable Final Terms.

First Margin means the margin specified as such in the form of Final Terms;

First Reset Date means the date specified in the form of Final Terms;

First Reset Period means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the form of Final Terms, the Maturity Date;

First Reset Rate of Interest means, in respect of the First Reset Period and subject to Condition 3.2(c), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin, subject to Condition 3.2(b);

Initial Rate of Interest has the meaning specified in the form of Final Terms;

Mid-Market Swap Rate means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the form of Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

Mid-Market Swap Rate Quotation means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

Mid-Swap Floating Leg Benchmark Rate means EURIBOR and the Specified Currency is euro;

Mid-Swap Rate means, in relation to a Reset Determination Date and subject to Condition 3.2(c), either:

- (i) if Single Mid-Swap Rate is specified in the form of Final Terms, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the form of Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

Original Reset Reference Rate Payment Basis has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

Rate of Interest means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

Relevant Margin means, in respect of a Reset Period, whichever of the First Margin or the Subsequent Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

Reset Determination Date means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

Reset Period means the First Reset Period or a Subsequent Reset Period, as the case may be;

Second Reset Date means the date specified in the form of Final Terms;

Subsequent Margin means the margin specified as such in the form of Final Terms;

Subsequent Reset Date means the date or dates specified in the form of Final Terms;

Subsequent Reset Period means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

Subsequent Reset Rate of Interest means, in respect of any Subsequent Reset Period and subject to Condition 3.2(c) the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin, subject to Condition 3.2(b).

(c) **Fallbacks**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer (or an agent appointed by the Issuer) shall, subject as provided in Condition 3.4 (*Benchmark Discontinuation*), request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if

necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined by the Calculation Agent to be the sum of (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Relevant Margin.

For the purposes of this Condition 3.2(c) **Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

3.3 *Interest on Floating Rate Notes*

(a) **Interest Payment Dates**

This Condition 3.3 applies to Floating Rate Notes only. The form of Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 3.3 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the form of Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, the party who will calculate the amount of interest due if it is not the Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. The form of Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the form of Final Terms;
or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the form of Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the form of Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the form of Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should

occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii), the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than T2) specified in the form of Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the form of Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system (T2) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the form of Final Terms.

The Rate of Interest for each Interest Period will, subject to Condition 3.4 (*Benchmark Discontinuation*), be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the form of Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the form of Final Terms) the Margin (if any), all as determined by the Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (A) above, no offered quotation appears or, in the case of paragraph (B) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer (or an agent appointed by the Issuer) shall request each of the Reference Banks to provide the Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate

of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In the case of Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of the Notes will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the form of Final Terms the Minimum Rate of Interest shall be deemed to be zero.

Specified Time means 11.00 a.m. (Brussels time, for the determination of EURIBOR).

For the purposes of this Condition 3.3(b), **Reference Banks** means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the form of Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3.3(b) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the form of Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3.3 (b) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes (or, if they are Partly Paid Notes, the aggregate amount paid up) and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.3:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that

portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the form of Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the form of Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the form of Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the form of Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the form of Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the

length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to Monte Titoli, the Paying Agent (as applicable), the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Milan Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 10. For the purposes of this Condition 3.3(f), the expression **Milan Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Milan.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3(g) by the Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, Monte Titoli, the Paying Agent (as applicable), all Noteholders and (in the absence of wilful misconduct, gross negligence or fraud) no liability to the Issuer or the Noteholders shall attach to Monte Titoli, the Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.4 *Benchmark Discontinuation*

This Condition 3.4 is applicable to Notes only if the Floating Rate Note Provisions or the Reset Note Provisions are specified in the form of Final Terms as being applicable.

(a) **Independent Adviser**

Notwithstanding the provisions above in Condition 3.3 (*Interest on Floating Rate Notes*) or Condition 3.2 (*Interest on Reset Notes*), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.4(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 3.4(c) (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 3.4(d))

(*Benchmark Amendments*) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

An Independent Adviser appointed pursuant to this Condition 3.4(a) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the party responsible for determining the Rate of Interest applicable to the Notes (being the Paying Agent, the Calculation Agent, or such other party specified in the form of Final Terms) any Paying Agent, the Noteholders for any determination made by it pursuant to this Condition 3.4.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3.4(a) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3.4(a) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, (i) in the case of the Rate of Interest on Floating Rate Notes, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or (ii) in the case of the First Reset Rate of Interest or in the case of the Subsequent Reset Rate of Interest on Reset Notes, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be equal to the sum of (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Relevant Margin. If there has not been a first Interest Payment Date or First Reset Date, the Rate of Interest for Floating Rate Notes shall be the initial Rate of Interest and the Rate of Interest for Reset Notes shall be the Initial Rate of Interest (as applicable). Where a different Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin (as applicable) is to be applied to the relevant Interest Period or Reset Period (as applicable) from that which applied to the last preceding Interest Period or Reset Period (as applicable), the Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin (as applicable) relating to the relevant Interest Period or Reset Period (as applicable) shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin relating to that last preceding Interest Period or Reset Period (as applicable). For the avoidance of doubt, this Condition 3.4(a) shall apply to the relevant next succeeding Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.4(a).

(b) **Successor Rate or Alternative Rate**

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3.4(a) (*Independent Adviser*) prior to the relevant Interest Determination Date or Reset

Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3.4(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3.4); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3.4(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3.4).

(c) **Adjustment Spread**

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3.4(a) (*Independent Adviser*) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3.4 and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3.4(a) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions (and any agency agreement entered into by the Issuer to appoint a different Paying Agent in accordance with Condition 9 (*Agents*), as applicable), including but not limited to Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3.4(e) (*Notices*) and subject (to the extent required) to giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority, without any requirement for the consent or approval of Noteholders, vary these Conditions (and any agency agreement entered into by the Issuer to appoint a different Paying Agent in accordance with Condition 9 (*Agents*), as applicable) to give

effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3.4(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3.4, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) prejudice the Notes: (A) in the case of Senior Notes or Non-Preferred Senior Notes, satisfying the MREL Requirements; (B) in the case of Subordinated Notes, qualifying as Tier 2 Capital for regulatory capital purposes of the Issuer and/or the Group; and/or (ii) (in the case of Senior Notes or Non-Preferred Senior Notes only) result in the Competent Authority and/or the Relevant Resolution Authority treating the Interest Payment Date or Reset Date, as the case may be, as the effective maturity date of the Notes, rather than the relevant maturity date. In such cases (i) the Rate of Interest on Floating Rate Notes applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or (ii) in the case of the First Reset Rate of Interest on Reset Notes, the Rate of Interest shall be equal to the Initial Rate of Interest or (iii) in the case of the Subsequent Reset Rate of Interest on Reset Notes, the Rate of Interest shall be equal to the Subsequent Reset Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Reset Period or if the immediately preceding Reset Period is the First Reset Period, the First Reset Rate of Interest. If there has not been a first Interest Payment Date or First Reset Date, the Rate of Interest for Floating Rate Notes shall be the initial Rate of Interest and the Rate of Interest for Reset Notes shall be the Initial Rate of Interest (as applicable).

Where a different Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin (as applicable) is to be applied to the relevant Interest Period or Reset Period (as applicable) from that which applied to the last preceding Interest Period or Reset Period (as applicable), the Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin (as applicable) relating to the relevant Interest Period or Reset Period (as applicable) shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest or First Margin or Subsequent Margin relating to that last preceding Interest Period or Reset Period.

(e) **Notices**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3.4 will be notified promptly by the Issuer to the Calculation Agent, the Paying Agent and, in accordance with Condition 10 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Conditions 3.4(a) (*Independent Adviser*) to 3.4(d) (*Benchmark Amendments*), the Original Reference Rate and the

fallback provisions provided for in Condition 3.2(c) (*Fallbacks*) will continue to apply unless and until a Benchmark Event has occurred.

(g) **Definitions**

For the purposes of this Condition 3.4:

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

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

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 3.4(b) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 3.4(d) (*Benchmark Amendments*);

Benchmark Event means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative of its relevant underlying market, within the following six months; or
- (f) it has become unlawful for, the Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that in the case of sub-paragraphs (b)(c)(d) and (e) above, the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3.4(a) (*Independent Adviser*);

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

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

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of

the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

3.5 *Change of Interest Basis*

If Change of Interest Basis is specified as applicable in the form of Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 3.1 or Condition 3.3 above each applicable only for the relevant periods specified in the form of Final Terms.

If Change of Interest Basis is specified as applicable in the form of Final Terms, and Issuer's Switch Option is also specified as applicable in the form of Final Terms, the Issuer may, on one or more occasions, as specified in the form of Final Terms, at its option (any such option, a **Switch Option**), having given notice to the Noteholders in accordance with Condition 10 on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the form of Final Terms with effect from (and including) the Switch Option Effective Date specified in the form of Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the form of Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the form of Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the form of Final Terms provided that any date specified in the form of Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified to the Issuer pursuant to this Condition and in accordance with Condition 10 prior to the relevant Switch Option Expiry Date.

3.6 *Exempt Notes*

In the case of Exempt Notes which are also Floating Rate Notes if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 3.3 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Paying Agent

were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

Change of Interest Basis

If Change of Interest Basis is specified as applicable in the applicable Pricing Supplement, the interest payable in respect of the Notes will be calculated in accordance with Condition 3.1 or Condition 3.3 above each applicable only for the relevant periods specified in the applicable Pricing Supplement.

If Change of Interest Basis is specified as applicable in the applicable Pricing Supplement, and Issuer's Switch Option is also specified as applicable in the applicable Pricing Supplement, the Issuer may, on one or more occasions, as specified in the applicable Pricing Supplement, at its option (any such option, a Switch Option), having given notice to the Noteholders in accordance with Condition 10 on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Pricing Supplement with effect from (and including) the Switch Option Effective Date specified in the applicable Pricing Supplement to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Pricing Supplement, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Pricing Supplement, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the applicable Pricing Supplement provided that any date specified in the applicable Pricing Supplement as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified to the Issuer pursuant to this Condition and in accordance with Condition 10 prior to the relevant Switch Option Expiry Date.

3.7 *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date on which all amounts due in respect of such Note have been paid.

4. PAYMENTS

4.1 *Payments to Noteholders*

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

4.2 *Method of payment*

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by Monte Titoli crediting the euro accounts of the relevant intermediaries, on behalf of the Noteholders, as evidenced in Monte Titoli's records.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

4.3 *Payment Day*

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in Milan; and
 - (ii) in each Additional Financial Centre specified in the form of Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars

shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open.

4.4 *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 6;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

5. REDEMPTION AND PURCHASE

5.1 *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer (i) at least *at par* in case of Fixed Rate Notes, Reset Notes, Floating Rate Notes and Zero Coupon Notes, as specified in the form of Final Terms in the relevant Specified Currency and on the Maturity Date specified in the form of Final Terms (ii) in the case of Exempt Notes, at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

5.2 *Redemption for tax reasons*

Subject to Condition 5.7, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Senior Notes and Non-Preferred Senior Notes, to the provisions of Condition 5.14 and, in the case of Subordinated Notes, to the provisions of Condition 5.15) in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms to Monte Titoli, the Paying Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable), if a Tax Event has occurred provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall make available, upon request, to the Noteholders (i) a certificate signed by two authorised

signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Paying Agent shall be entitled to accept such documents as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 5.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.2. Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions, Tax Event means (i) on the occasion of the next payment due under the Notes (in the case of Subordinated Notes, in respect of payments of interests only) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of (or applicable in) a Tax Jurisdiction (as defined in Condition 6), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the most recent Tranche of the Notes, provided that in the case of any redemption of Subordinated Notes proposed to be made prior to the fifth anniversary of the Issue Date, under the relevant Regulatory Capital Requirements (as defined in Condition 5.15) the Issuer demonstrates to the satisfaction of the relevant Competent Authority that such change or amendment is material and was not reasonably foreseeable by the Issuer as at the date of the issue of the first tranche of the relevant Subordinated Notes; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

5.3 *Redemption for regulatory reasons (Regulatory Call)*

This Condition 5.3 applies only to Notes specified in the form of Final Terms as being Subordinated Notes.

If Regulatory Call is specified in the form of Final Terms, the Notes may be redeemed at the option of the Issuer (subject to the provisions of Condition 5.15), in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 15 nor more than 30 days' notice to Monte Titoli, the Paying Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable), if a Regulatory Event occurs provided that, in case of exclusion from "Tier 2" capital at individual or consolidated basis in part, such exclusion is not as a result of amortisation or any limits on the amount of "Tier 2" capital applicable to the Issuer.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall make available, upon request, to the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting

forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

Upon the expiry of any such notice as is referred to in this Condition 5.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.3. Notes redeemed pursuant to this Condition 5.3 will be redeemed at their Early Redemption Amount referred to in Condition 5.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

A Regulatory Event is deemed to have occurred if there is a change in the regulatory classification of the Subordinated Notes under the relevant Regulatory Capital Requirements that would be likely to result in their exclusion, in whole or, to the extent permitted by the relevant Regulatory Capital Requirements, in part, from Tier 2 Capital of the Group or the Issuer or a reclassification as a lower quality form of Own Funds provided that, in case of exclusion in part, such exclusion is not as a result of amortisation or any limits on the amount of “Tier 2” capital applicable to the Issuer and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date, if and to the extent then required by the relevant Regulatory Capital Requirements, both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes.

5.4 *Redemption at the option of the Issuer (Issuer Call)*

This Condition 5.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or for regulatory reasons), such option being referred to as an Issuer Call. The form of Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5.4 for full information on any Issuer Call. In particular, the form of Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the form of Final Terms, the Issuer may (subject to, in the case of Senior Notes and Non-Preferred Senior Notes, Condition 5.14 and, in the case of Subordinated Notes, the provisions of Condition 5.15), having given not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms to Monte Titoli, the Paying Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the form of Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the form of Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the form of Final Terms or, if a Make-whole Amount is specified in the

form of Final Terms, will be an amount calculated by the Issuer (or by an agent appointed by the Issuer to calculate the amount on its behalf) equal to the higher of:

- (a) 100 per cent. of the nominal amount of the Notes to be redeemed; or
- (b) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer;

Redemption Margin shall be as set out in the form of Final Terms;

Reference Bond shall be as set out in the form of Final Terms or the FA Selected Bond;

Reference Bond Price means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Paying Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date;

Reference Government Bond Dealer means each of the five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Paying Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the form of Final Terms on the Reference Date quoted in writing to the Paying Agent by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the Optional Redemption Date.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5.4 by the Issuer (or by an agent appointed by the Issuer to calculate the amount on its behalf), shall (in the absence of manifest error) be binding on the Issuer, Monte Titoli, the Paying Agent and all Noteholders.

In the case of a partial redemption of Notes, the Notes to be redeemed pursuant to this Condition 5.4 will be redeemed in compliance with applicable law and the rules of Monte Titoli, and the Optional Redemption Amount will be divided among all the Noteholders of the relevant Series pro rata to the principal amount outstanding of the Notes then held by the individual Noteholders.

5.5 *Redemption at the option of the Noteholders (Investor Put)*

This Condition 5.5 applies only to Notes specified in the form of Final Terms as being Senior Notes or Non-Preferred Senior Notes.

This Condition 5.5 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The form of Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 5.5 for full information on any Investor Put. In particular, the form of Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the form of Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 10 not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, within the notice period, deliver to the Issuer and the Paying Agent a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent. At least 5 Business Days prior to the Optional Redemption Date, the Issuer and the Paying Agent shall notify Monte Titoli of the amount of Notes to be redeemed on the Optional Redemption Date and the aggregate Optional Redemption Amount.

Any notice given by a holder of any Note in accordance with this Condition 5.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.5 and instead to declare such Note forthwith due and payable pursuant to Condition 8.

5.6 *Issuer Call due to MREL Disqualification Event*

This Condition 5.6 applies only to Notes specified in the form of Final Terms as being Senior Notes or Non-Preferred Senior Notes.

In respect of any Series of Senior Notes or Non-Preferred Senior Notes where Issuer Call due to MREL Disqualification Event is specified as being applicable in the form of Final Terms, then the Issuer may (subject to the provisions of Condition 5.14) on any Interest Payment Date (if the Note is a Floating Rate Note), or at any time (if the Note is not a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the form of Final Terms to Monte Titoli, the Paying Agent and, in accordance with Condition 10 (which notice shall be irrevocable), the Noteholders, redeem all (but not some only) of the Notes then outstanding at their Early Redemption Amount as described in Condition 5.7 below (if appropriate) with interest accrued to (but excluding) the date fixed for redemption, if the Issuer determines that a MREL Disqualification Event has occurred and is continuing.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Paying Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Paying Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 5.6, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.6. Notes redeemed pursuant to this Condition 5.6 will be redeemed at their Early Redemption Amount referred to in Condition 5.8 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

5.7 *Clean-up redemption at the option of the Issuer*

If a clean-up option (the **Clean-Up Redemption Option**) is specified as applicable in the Final Terms, and if 75 per cent. or any higher percentage specified in the relevant Final Terms (the **Clean-up Call Percentage**) of the initial aggregate nominal amount of the Notes of the same Series (which for the avoidance of doubt includes, any additional Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, the Issuer may at any time, at its option, and having given to the Paying Agent and the Noteholders not less than 5 nor more than 30 calendar days' notice (the **Clean-Up Redemption Notice**), in accordance with Condition 10 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem such outstanding Notes, in whole but not in part, at their clean-up redemption amount (**Clean-Up Redemption Amount**), together, if appropriate, with accrued interest to (but excluding) the date of redemption, on the date fixed for redemption identified in the Clean-Up Redemption Notice.

5.8 *Early Redemption Amounts*

For the purpose of Condition 5.3, Condition 5.3, Condition 5.6 above above and Condition 8:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the form of Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

5.9 *Specific redemption provisions applicable to certain types of Exempt Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 5.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

5.10 *Purchases*

Subject to Condition 5.14 in respect of Senior Notes and Non-Preferred Senior Notes and Condition 5.15 in respect of Subordinated Notes, the Issuer or any of its subsidiaries may purchase Notes at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the purchaser, cancelled.

Subordinated Notes may only be purchased by the Issuer or any of its subsidiaries, provided that and to the extent permitted by the relevant Regulatory Capital Requirements (as defined in Condition 5.15) at the relevant time the Notes to be purchased (a) do not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the relevant Series of the Subordinated Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the Subordinated Notes qualified on issue as "Tier 2 capital" for regulatory capital purposes of the Issuer from time to time outstanding and (b) are not purchased in order to be surrendered to any Paying Agent for cancellation.

5.11 *Cancellation*

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5.10 above cannot be reissued or resold.

5.12 *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.1, 5.2, 5.3, 5.4 or 5.5 above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.8(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10.

5.13 *Italian Civil Code*

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

5.14 *Conditions to Early Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes*

Any redemption or purchase of Senior Notes and Non-Preferred Senior Notes in accordance with Conditions 5.2, 5.4, 5.6, 5.7 or 5.10 or Condition 11 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 11) is subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the MREL Requirements at the relevant time (including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL Requirements) and, including, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRR, where one of the following conditions is met:

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

subject in any event to any different conditions or requirements as may be applicable from time to time under the Regulatory Capital Requirements (as amended and supplemented from time to time).

The Relevant Resolution Authority may grant a general prior permission, for a specified period which shall not exceed one year, which may be renewed up to one year per time, to redeem or purchase (including for market making purposes) Senior Notes or Non-Preferred Senior Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph.

5.15 *Conditions to Early Redemption and Purchase of Subordinated Notes*

Any redemption or purchase of Subordinated Notes in accordance with Condition 5.2, 5.3, 5.4, 5.7 or 5.10 or Condition 11 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 11) is subject to compliance with the then applicable Regulatory Capital Requirements, including, as relevant, for the avoidance of doubt:

- (a) the Issuer giving notice to the relevant Competent Authority and such Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes (in each case subject to and in the manner required by the relevant Regulatory Capital Requirements, including Articles 77 and 78 of CRR, as amended or replaced from time to time), where either:
 - (i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Regulatory Capital Requirements by a margin that the Competent Authority considers necessary at such time; and

- (b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRR or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, as subsequently amended:
- (i) in the case of redemption pursuant to Condition 5.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or
 - (ii) in case of redemption pursuant to Condition 5.3 (*Redemption for regulatory reasons (Regulatory Call)*) a Regulatory Event having occurred; or
 - (iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
 - (iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Regulatory Capital Requirements for the time being.

The Competent Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Subordinated Notes, in the limit of a predetermined amount, which shall not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the relevant Series of the Subordinated Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the outstanding aggregate nominal amount of the Tier 2 instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (a)(i) or (a)(ii) of sub-paragraph (a) of the preceding paragraph.

As used in these Conditions:

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

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

Competent Authority means the Bank of Italy and/or, to the extent applicable in any relevant situation, the European Central Bank or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

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

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

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

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

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

Future Capital Instruments Regulations means any regulatory capital rules or regulations introduced after the Issue Date by the Competent Authority or which are otherwise applicable to the Issuer (on a solo or, if relevant, consolidated basis), which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the Own Funds of the Issuer (on a consolidated basis) to the extent required by (i) the CRR or (ii) the CRD IV Directive;

Group or **Sella Group** means the Banca Sella Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Italian Consolidated Banking Act, under number 3311;

Group Entity means the Issuer and any legal person that is part of the Sella Group;

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

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

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

Regulatory Capital Requirements means any requirements contained in the regulations, rules, guidelines and policies of the Competent Authority, or of the European Parliament and Council then in effect in the Republic of Italy, relating to capital adequacy and applicable to the Issuer and/or the Sella Group from time to time (including, any applicable transitional provisions), including, but not limited to, as at the Issue Date of the relevant Series of Notes, the rules contained in, or implementing, the CRD IV Package and the BRRD, delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority;

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

Resolution Power means any statutory write-down, transfer and/or conversion power existing from time to time under any laws regulations, rules or requirements relating to the resolution of the Issuer, including but not limited to any laws, regulations, rules or requirements implementing the BRRD and/or the SRM Regulation;

SRM Regulation means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism

and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time (including by the SRM II Regulation); and

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

6. TAXATION

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of interest only as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, except that no such additional amounts shall be payable:

- (a) with respect to any Notes for or on account of imposta sostitutiva (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time (“**Decree No. 239**”), and in all circumstances in which the procedures set forth in Decree No. 239 have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents;
- (b) with respect to any Note presented for payment:
 - (i) in the jurisdiction of incorporation of the Issuer; or
 - (ii) by or on behalf of a holder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or
 - (iii) by or on behalf of a holder who is entitled to avoid such withholding or deduction in respect of such Note by making, or procuring, a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence, but has failed to do so; or
 - (iv) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4.3); or
 - (v) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities;

- (vi) where the holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements (except where such requirements have not been met due to the actions or omissions of the Issuer or its agent); or
- (c) in respect of any Note where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended or supplemented from time to time; or
- (d) where such withholding or deduction is imposed on a payment pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, including any regulations or agreements thereunder or any official interpretations thereof or any law implementing an intergovernmental approach thereto.

As used herein:

- (i) Tax Jurisdiction means the Republic of Italy (Italy) or any political subdivision of any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of interest on the Notes; and
- (ii) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10.

7. PRESCRIPTION

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6) therefor.

8. EVENTS OF DEFAULT AND ENFORCEMENT

8.1 *Events of Default relating to Senior Notes and Non-Preferred Senior Notes and Subordinated Notes*

With respect to any Senior Note, Non-Preferred Senior Notes or Subordinated Note, if the Issuer is subject to *Liquidazione Coatta Amministrativa* as defined in the Italian Consolidated Banking Act (the **Event of Default**), then any holder of a Senior Note, Non-Preferred Senior Note or Subordinated Note may, by written notice to the Issuer and at the specified office of the Paying Agent, effective upon the date of receipt thereof by the Paying Agent, declare any Senior Note, Non-Preferred Senior Note or Subordinated Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind. For the avoidance of doubt, the non-payment by the Issuer of any amount due and payable under these Notes, or the taking of any crisis prevention measure or crisis management measure in relation to the Issuer in accordance with the BRRD, is not an event of default.

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

9. AGENTS

The Issuer will act as initial paying agent for the Notes and the name of the Issuer will be included in the applicable Final Terms as Paying Agent.

The Issuer is entitled to terminate its role as Paying Agent and appoint an additional or other Paying Agent, provided that there will at all times be a Paying Agent.

10. NOTICES

For so long as the Notes are held through Monte Titoli, all notices regarding the Notes will be deemed to be validly given if published through the systems of Monte Titoli, and if and for so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, www.luxse.com. It is expected that any such publication in a newspaper will be made in the Luxemburger Wort or the Tageblatt in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Notices to be given by any Noteholder shall be in writing and given by lodging the same with the Paying Agent.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The provisions for the meetings of Noteholders (including by way of conference call or by use of videoconference platform) attached as **ANNEX 1 TO THE TERMS AND CONDITIONS** to these Conditions (the **Provisions for the Meetings of Noteholders**) contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or these Conditions. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or these Conditions (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, or altering the currency of payment of the Notes or amending in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes

for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution.

The Provisions for the Meetings of Noteholders provide that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Paying Agent and the Issuer may agree, without the consent of the Noteholders to:

- (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes that is in the sole opinion of the Issuer not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification which is of a formal, minor or technical nature or to correct a manifest error including without limitation where required in order to comply with mandatory provisions of law.

For the avoidance of doubt, any variation of the Conditions (and any agency agreement entered into by the Issuer to appoint a different Paying Agent in accordance with Condition 9 (*Agents*), as applicable) to give effect to any Benchmark Amendments in the circumstances and as otherwise set out in Condition 3.4 (*Benchmark Discontinuation*) shall not require the consent of the Noteholders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 10 (Notices) as soon as practicable thereafter.

In addition, with respect to (i) any Series of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL Disqualification Event occurs, and if Variation is specified as being applicable in the form of Final Terms, or (ii) any Series of Subordinated Notes, if at any time a Regulatory Event occurs, and if Variation is specified as being applicable in the form of Final Terms, (iii) all Notes, if at any time a Tax Event or an Alignment Event occurs and if Variation is specified as being applicable in the form of Final Terms, or (iv) all Notes, if Variation is specified as being applicable in the form of Final Terms, in order to ensure the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), then the Issuer may, subject to giving any notice required to be given to, and receiving consent required from the Competent Authority and/or as appropriate the Relevant Resolution Authority, (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) and having given not less than 30 nor more than 60 days' notice to Monte Titoli, the Paying Agent and the holders of the Notes of that Series (or such other notice periods as may be specified in the Form of Final Terms), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as applicable, provided that the Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as applicable, shall not, immediately following such

variation be subject to a MREL Disqualification Event, a Regulatory Event and/or a Tax Event, as applicable.

In these Conditions:

Alignment Event will be deemed to have occurred if, as a result of a change in or amendment to the Regulatory Capital Requirements or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying (i) in the case of Senior Notes or Non-Preferred Senior Notes, as eligible liabilities under the then applicable MREL Requirements or (ii) in the case of Subordinated Notes, as Tier 2 Capital, which, in each case, contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions:

Qualifying Non-Preferred Senior Notes means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Non-Preferred Senior Notes (as reasonably determined by the Issuer) than the terms of the Non-Preferred Senior Notes and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Sella Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) have a ranking at least equal to that of the Non-Preferred Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Non-Preferred Senior Notes; (D) have the same redemption rights as the Non-Preferred Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) in the event the Notes carry a rating immediately prior to such variation, are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*); and
- (b) are listed on a recognised stock exchange if the Non-Preferred Senior Notes were listed immediately prior to such variation.

Qualifying Senior Notes means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Sella Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL Requirements; (B) have a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) in the event the Notes carry a rating immediately prior to such variation, are assigned (or maintain) the same

or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*); and

- (b) are listed on a recognised stock exchange if the Senior Notes were listed immediately prior to such variation.

Qualifying Subordinated Notes means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to a holder of the Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Notes and they shall also (A) comply with the then-current requirements of the Regulatory Capital Requirements in relation to Tier 2 capital, (B) have a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) in the event the Notes carry a rating immediately prior to such variation, are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 14 (*Statutory Loss Absorption Powers*); and
- (b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation.

Provision for the Meetings of Noteholders are attached to, and form an integral part of, these Conditions. References in these Conditions to the Provisions for the meetings of Noteholders include such provisions as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

For avoidance of doubt, any modification or variation pursuant to this Condition 11 is subject to the provisions of Condition 5.14 (in respect of Senior Notes and Non-Preferred Senior Notes) and Condition 5.15 (in respect of Subordinated Notes).

12. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

13. GOVERNING LAW AND SUBMISSION TO JURISDICTION

13.1 *Governing law*

The Terms and Conditions, the Notes and any non-contractual obligations arising out of or in connection with any of the above are governed by, and construed in accordance with, Italian law.

13.2 *Submission to jurisdiction*

- (a) The courts of Milan have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes (a Dispute) and accordingly each of the Issuer and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the courts of Milan.
- (b) For the purposes of this Condition 13.2, the Issuer waives any objection to the courts of Milan on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

13.3 *Other documents*

The Issuer has submitted to the exclusive jurisdiction of the courts of Milan.

14. STATUTORY LOSS ABSORPTION POWERS

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

Upon the Issuer being informed and notified by the Relevant Resolution Authority of the actual exercise of the date from which the Loss Absorption Power is effective with respect to the Notes, the Issuer shall notify the Noteholders without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Loss Absorption Power nor the effects on the Notes described in this Condition.

The exercise of the Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and the Terms and Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State.

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

ANNEX 1 TO THE TERMS AND CONDITIONS

PROVISIONS FOR THE MEETINGS OF NOTEHOLDERS

1. DEFINITIONS

In the Conditions, the following expressions have the following meanings:

Blocked Notes means the Notes which have been blocked in an account with the relevant Monte Titoli Account Holder not later than 48 hours before the time fixed for the Meeting for the purpose of obtaining from the relevant Monte Titoli Account Holder a Voting Certificate on the terms that any such Notes will not be released until the earlier of:

- (i) the conclusion of the Meeting; and
- (ii) the surrender to the relevant Monte Titoli Account Holder of the relevant Voting Certificate;

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*Chairman*);

Extraordinary Resolution means a resolution passed at a Meeting duly convened and held in accordance with this Provisions for the Meetings of Noteholders by the majority specified under paragraph 7 (*Quorum*);

Meeting means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

Proxy means, in relation to any Meeting, the certificate issued by the Noteholder (through the relevant Monte Titoli Account Holder), delivered to the Issuer, which authorises a designated duly authorised physical person to vote on its behalf in respect of the relevant Blocked Notes; certifying that the votes attributable to such Blocked Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked. So long as a Proxy is valid, the named therein as Proxy Holder, shall be considered to be the holder of the Notes to which such Proxy refers for all purposes in connection with the Meeting;

Proxy Holder means, in relation to a Meeting, an individual who has the right to vote in relation to a Blocked Note pursuant to a Proxy, in any case other than:

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

Relevant Fraction means:

- (a) for all business other than voting on an Extraordinary Resolution, one tenth or at any adjourned meeting one or more persons being or representing the majority of the

Noteholders attending at the relevant meeting whatever the nominal amount of the Notes so held or represented;

- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, is one or more persons holding or representing not less than 50 + 1 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting such meeting one or more Voters representing or holding not less than one-third in nominal amount of the Notes for the time being outstanding.

Reserved Matter means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

Voter means, in relation to any Meeting, the bearer of a Voting Certificate or a Proxy;

Voting Certificate means, in relation to any Meeting, a certificate requested by any Noteholder and issued by the relevant Monte Titoli Account Holder in accordance with the CONSOB and Bank of Italy Joint Regulation in which it is stated:

- (a) that the Blocked Notes will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) the surrender of such certificate to relevant Monte Titoli Account Holder; and
- (b) the number of the Blocked Notes; and
- (c) that the bearer of such certificate is entitled to attend and vote, also by way of Proxy, at the Meeting in respect of the Blocked Notes;

So long as a Voting Certificate is valid, the bearer thereof or the named therein as holder of the Blocked Notes shall be considered to be the holder of the Notes to which such Voting Certificate refers for all purposes in connection with the Meeting;

Written Resolution means a resolution in writing signed by or on behalf of holders of not less than 75 per cent. in nominal amount of the Notes outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Provisions for the Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

24 hours means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and in each of the places where the Paying Agent(s) have their specified offices (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

48 hours means 2 consecutive periods of 24 hours.

2. DEPOSIT OF VOTING CERTIFICATES

In order to be admitted to participate in a Meeting, Noteholders must deposit their Voting Certificates with the Paying Agent not later than 48 hours before the relevant Meeting. If a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeding to discuss the items on the agenda.

A Proxy shall be valid only if it is deposited, along with the related Voting Certificate(s) at the office of the Paying Agent, or at any other place approved by the Paying Agent, not later than 48 hours before the relevant Meeting. If a Proxy is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeding to discuss the items on the agenda.

References to the blocking or release of the Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of the clearing system.

3. VALIDITY OF VOTING CERTIFICATES AND PROXIES

The Voting Certificates and Proxies shall be valid until the release of the Blocked Notes to which they relate.

4. CONVENING OF MEETING

The Issuer may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10 (ten) per cent. in nominal amount of the Notes for the time being remaining outstanding.

5. NOTICE

At least 21 days notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes may be

deposited with the relevant Monte Titoli Account Holder for the purposes of obtaining the Voting Certificates from such relevant Monte Titoli Account Holder or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

6. CHAIRMAN

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

7. QUORUM

The quorum at any Meeting shall be one or more Voters representing or holding not less than the Relevant Fraction of the outstanding aggregate principal amount of the Notes.

8. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

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

9. ADJOURNED MEETING

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

10. NOTICE FOLLOWING ADJOURNMENT

Paragraph 5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

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

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

11. PARTICIPATION

The following may attend and speak at a Meeting:

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

12. SHOW OF HANDS

Every question submitted to a Meeting shall be considered as a resolution and decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

13. POLL

A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

14. VOTES

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, the number of votes obtained by dividing that fraction of the aggregate principal amount of the outstanding Note(s) represented or held by it by the lowest denomination of the Notes.

In the case of a voting tie the Chairman shall have a casting vote.

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

15. VOTING BY PROXY OR VOTING CERTIFICATE

Revocation of the appointment under a Proxy or a Voting Certificate shall be valid only if the Monte Titoli Account Holder or the Paying Agent or the Chairman is notified in writing of such revocation not later than 24 hours prior to the time set for the Meeting. Unless revoked, the appointment to vote contained in a Proxy or a Voting Certificate for a Meeting shall remain valid also in relation to a Meeting resumed following an adjournment, unless such Meeting was adjourned pursuant to Article 9 above. If a Meeting is adjourned pursuant to paragraph 8 (*Adjournment for Want of Quorum*) above, each person appointed to vote in such Meeting shall have to be appointed again by virtue of another Proxy or Voting Certificate.

The Proxy shall be signed by the person granting the Proxy, shall not be granted in blank, and shall bear the date, the name of the person appointed to vote, and the related Proxies. If, in relation to any given resolution, there is no indication of how the right to vote is to be exercised, then such vote shall be deemed to be an abstention from voting on such proposed resolution.

16. POWERS

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

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an event of default under the Notes;
- (e) to authorise the Paying Agent or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (f) to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and
- (g) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

17. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

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

18. MINUTES

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

19. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer, as indicated in the applicable Final Terms or in the applicable Pricing Supplement relating to the relevant Tranche of Notes, either:

- a) for general funding purposes of the Sella Group;
- b) as otherwise indicated in the relevant Final Terms or in the applicable Pricing Supplement relating to the issuance.

THE ISSUER

1. HISTORY AND DEVELOPMENT OF THE ISSUER

Banca Sella Holding S.p.A. is the parent company of the Sella Group (“**Banca Sella Holding**” or the “**Parent Company**”). It is a credit institution incorporated with limited liability as società per azioni in the Republic of Italy under registered number 01709430027, in its quality of parent company of the “Sella” banking group pursuant to article 61, paragraphs 1 and 4 of the Italian Consolidated Banking Act and registered with the Register of Banking Groups held by the Bank of Italy under number 3311. Banca Sella Holding is a member of the Italian Inter-Bank Fund for the Protection of Deposits (Fondo Interbancario di Tutela dei Depositi e al Fondo Nazionale di Garanzia). Pursuant to Article 4 of its by-laws, Banca Sella Holding’s corporate objects are mainly: (i) to carry out credit granting and savings collection activities and (ii) to exercise all the activities relevant to the management and coordination of the Group.

Banca Sella Holding is registered in the companies’ register of the Chamber of Commerce of Monte Rosa Laghi Alto Piemonte under number 01709430027.

Company name

The legal name of the Banca Sella Holding is “Banca Sella Holding S.p.A.”.

Issuer Legal Entity Identifier (LEI)

549300ABE4K96QOCEH37.

Place of registration of the Issuer and its registration number

Banca Sella Holding has its registered office at Piazza Gaudenzio Sella 1, 13900 Biella, Italy.

Banca Sella Holding is registered in the companies’ register of the Chamber of Commerce of Monte Rosa Laghi Alto Piemonte under number 01709430027.

Date of incorporation and length of life of the Issuer

The Issuer was incorporated under the laws of Italy as a joint stock company (società per azioni) on 4 October 1991, with a duration running until 31 December 2075, which may be extended with shareholder approval according to its by-laws.

Domicile and legal form of the Issuer, legislation under which the Issuer operates, its country of incorporation, website address and address and telephone number of its registered office

Banca Sella Holding is a joint stock company (*società per azioni*) incorporated in Biella, Italy and operating under Italian law. The address of the Issuer’s registered office is Piazza Gaudenzio Sella 1, 13900 Biella, Italy. Its telephone number is +39 015 35011, website address [HTTPS://SELLAGROUP.EU/](https://SELLAGROUP.EU/). Certified electronic email (*posta elettronica certificata*): BSH_SEGRETERIA@PEC SELLA.IT.

The information on the websites does not form part of the prospectus and has not been scrutinised or approved by the competent authority except websites related to the documents incorporated by reference.

History and evolution of the Group

The history of Sella Group dates back to the end of the 19th century, when some members of the Sella family, who had been running a textile business for over three centuries, decided to establish a banking institution which was founded on 23 August 1886 as a limited partnership under the name "Banca Gaudenzio Sella & C.". The first branch was opened soon afterwards.

In 1933, when Gaudenzio Sella died, his son, Ernesto Sella, became Managing Partner of the banking institution, which was converted in 1949 into a company limited by shares (società per azioni), with Ernesto Sella and his brother Giorgio Sella respectively Chairman and Managing Director. In 1965 its name was changed to Banca Sella S.p.A.

In 1974 Giorgio became chairman, while the son of Ernesto, Maurizio Sella, became Managing Director. The company started expanding from its base in Piedmont in north-west Italy to other Italian regions, either by the opening of new branches or by acquisition of existing banks.

The process of fast and steady growth led to the creation of "Gruppo Banca Sella" (now known as "Gruppo Sella") which, on 11 August 1992, was enrolled on the register of banking groups kept by the Bank of Italy.

In the mid-90s Banca Sella also expanded its presence abroad through international partnerships in IT context, first in Romania with the establishment of Centrico Selir S.r.l. and then in India with the establishment of Centrico India Private Ltd..

On 1 January 2006, the network of branches of Banca Sella Holding (then known as "**Banca Sella S.p.A.**") was transferred to Sella Distribuzione S.p.A., now "Banca Sella S.p.A." (**Banca Sella**).

The merger of Banca Sella Sud Arditi Galati into Banca Sella was concluded in 2011, while the merger of Banca Sella Nord Est Bovio Calderari into Banca Sella was concluded in 2012.

At the end of December 2017, the company Fabrick S.p.A was established (originally with the name Sella Open Fintech Platform S.p.A.) with the intention to operate through shareholdings and support activities in companies active in the sector of services and payment systems and in the sectors of digital technological solutions applied to the world of personal and commercial finance and the design, development and management of technological infrastructures and platforms.

Banca Sella Holding established, in June 2018, the company Centrico S.p.A., to which during 2019 it transferred its company branch dedicated to the IT security function, while Banca Sella transferred its company branch including the functions dedicated to Information Technology and Business Process Outsourcing (BPO).

In July 2018, Banca Sella Holding also established the company Sella Ventures Partners SGR S.p.A., an alternative sub-threshold savings management company.

During the month of March 2019 Fabrick S.p.A. established Ax2 S.p.A., later called Axerve S.p.A., (a company whose object is the design, implementation and operational management of information systems, as well as the leasing and/or rental and possible sale of P.O.S. equipment) and HYPE S.p.A. (a company whose object is the issuance of electronic money).

In January 2021, Fabrick S.p.A. and Illimity Bank S.p.A., had finalized an equal joint venture agreement for the management of HYPE S.p.A.. Illimity Bank has acquired a 50% stake in the capital of HYPE S.p.A. through the contribution of the Illimity Bank business unit relating to open banking, the subscription of

a capital increase in HYPE S.p.A. for cash and newly issued Illimity Bank shares reserved to Fabrick. The Sella Group, through Banca Sella Holding, today holds a qualified 10% stake in Illimity Bank. Even the 50% stake in HYPE S.p.A. is currently held by Banca Sella Holding.

During 2022, Centrico established the Nivola company, operating in the IT sector, which carries out instrumental activities in the provision of infrastructure components (provision of IT, technological and administrative services) to Group companies and possibly to third parties. In 2023, following a partnership with the SeSa Group, a 49% share of Nivola was sold to the latter.

In 2023, again following the signing of the industrial partnership agreement with the SeSa Group, the instrumental company BDY S.p.A. was established, a company associated with the Sella Group, in which the Sella Group holds 49% and the SeSa Group 51% of the capital. BDY S.p.A. sells, exclusively on the Italian market, Open Core Banking software, application solutions and Business Process Outsourcing (BPO) services created by Centrico.

During 2023, Fabrick acquired the 100% stake in Alternative Payments Limited (UK) – Judopay (which created a technological platform for the acceptance of payments via remote communication techniques with a particular focus on operations completed via mobile devices).

In April 2024, the company Axerve S.p.A. was merged by incorporation into Fabrick S.p.A..

A brief description of the Issuer's distribution model and principal activities and principal categories of products sold and/or services provided

The Sella Group has a complex corporate structure governed, to achieve shared goals, by six organisational macro-units — five Business Lines and a Corporate Centre within Banca Sella Holding — which are responsible for guiding, coordinating and managing the entire Sella Group. Each Organisational Unit has direct hierarchical responsibility and Group Management and Coordination responsibility that impacts all the others. In fact, each Business Line is responsible not only for the companies and activities assigned to them, but also for the management and coordination of the sector to which it is assigned:

Commercial Bank. It is responsible for traditional credit intermediation activities aimed at individuals, companies and institutions, through quality consultancy, based on a high added value relationship and a highly innovative and technological offer including all main banking and financial services. The Business Line includes the companies Banca Sella, Sella Leasing, Sella Personal Credit, Nephis and Sella Broker.

Wealth & Asset Management. It is responsible for the Sella Group's Wealth & Asset Management activities, pursuing the implementation of a professional service, specialised in the identification of suitable solutions for the Customer with reference to the overall management of its assets. The Business Line includes Banca Patrimoni Sella & C., Sella Fiduciaria, Sella SGR and the Agency Trading and Correspondent Banking Services active within Banca Sella Holding.

Open Finance. It is the head of the entities that collaborate for the creation of an open financial ecosystem and contribute to the development of innovative digital services, based on open logic and architectures. The ecosystem enables collaboration between different players in the development of Open Banking and Open Payments projects to co-create solutions that meet the increasingly evolving needs of end Customers. The Business Line includes the companies Fabrick, Fabrick Solution Spain, Codd&Date, Codd&Date Suisse, dPixel and Alternative Payments Ltd.

Treasury and Financial Markets. It directs and coordinates the financial activities of the Sella Group and manages its main assets, pursuing careful risk management and a solid liquidity position. The Business Line consists of services operating within Banca Sella Holding: Sella Financial Markets, Treasury & ALM and Sella Direct Venture & Minority Stakes.

Corporate Investment Banking. It provides its customers with professional assistance, in accordance with the best market practices, in their extraordinary finance transactions such as acquisitions or disposals of companies, raising capital resources, in particular through private equity transactions, raising debt resources, with particular reference to the issuance of bonds (so-called mini-bonds) or through the structuring of leveraged financing. The Business Line consists of the Corporate Development & CVC and the company Sella Venture Partners SGR.

OneSella Corporate Center. This represents a new way to conceive of Governance and Control functions applying to other business, with the aim of supporting the Sella Group's Business Lines and spreading a OneSella identity. Part of Banca Sella Holding, it accompanies and accelerates the evolution of the Sella Group in accordance with the values that identify it and in compliance with regulatory requirements. The Corporate Center is made up of organizational units of Banca Sella Holding and also includes the companies Centrico, Centrico Selir, Nivola, Centrico-India Private Limited, Sella Broker, Immobiliare Lanificio Maurizio Sella and Consorzio di Vigilanza Sella.

Between December 2023 and January 2024, the Board of Directors of Banca Sella Holding S.p.A. approved the Three-Year Plan called "Make an Impact" of the Sella Group for the period 2024-2026, which, while maintaining substantial continuity with the previous one (called "OneSella" relating to the three-year period 2021-2023), updates its vision in the belief that the future of banking and brokerage will be based on the ability to have a positive impact. The Impact factor is therefore added as a strategic driver to Customer and People. This results in an update of the strategic objectives of the plan which are expanded into:

Distinguish and establish «Sella» as the «Name» for the quality of relationships and consultancy, the ability to innovate and have a positive impact throughout Italy (pursuing the development of the business model based on consultancy and increasing our team of consultants; promoting sustainable investments through impact consultancy, encouraging clients to choose investment projects that have a long-term positive impact on the environment and society; raising the quality of service and the traditional ability to make the best interest of the customer; also providing for the transformation of the Group into B-corp companies and Benefit companies).

Becoming the financial ecosystem, profitable, sustainable and open, among the leaders in Europe (spreading the "open platform model" and developing ecosystems to accelerate Learning Effect and Network Effect to develop customers and revenues; this has technological, cultural, organizational, business, innovation and development of skills and use of talent consequences).

The new strategic plan also further raises the value of human resources growth by focusing on growth and development paths, knowledge and training, Diversity & Inclusion and involvement; maintains focus on innovation and on openness, consolidating open architecture as a strong point; introduces the application of Artificial Intelligence (AI) with the aim of improving the relationship with the customer (with new projects oriented towards a personalized approach that strengthens the long-term bond with the customer and improves his experience), developing and constantly improving models, increasing efficiency; envisages increasing in the territorial presence, with the aim of adding commercial consultants and private bankers and investing in new branch openings and renovations.

Brief description of the Group of which the Issuer is part and of the Issuer's position within the Group

As of the date of the Base Prospectus, the Group fully consolidates the companies listed below.

Parent company:

- Banca Sella Holding S.p.A.

Companies fully consolidate into the Group:

- Banca Sella S.p.A. – Biella, Italy.

The corporate capital of Banca Sella S.p.A. is held by the Issuer for 78.7907%.

- Banca Patrimoni Sella & C. S.p.A. – Turin, Italy.

The corporate capital of Banca Patrimoni Sella & C. S.p.A. is held by the Issuer for 75.463%.

- Fabrick S.p.A. – Milan, Italy.

The corporate capital of Fabrick S.p.A. is held by the Issuer for 72.124% and by Banca Sella S.p.A. for 12.952%.

- Sella Leasing S.p.A. – Biella, Italy.

The corporate capital of Sella Leasing S.p.A. is held by the Issuer for 49% and by Banca Sella S.p.A. for 51%.

- Sella Personal Credit S.p.A. – Torino, Italy.

The corporate capital of Sella Personal Credit S.p.A. is held by the Issuer for 49% and by Banca Sella S.p.A. for 51%.

- Nephis S.r.l. – Milan, Italy.

The Issuer holds the entire corporate capital.

- Centrico S.p.A. – Biella, Italy.

The corporate capital of Centrico S.p.A. is held by the Issuer for 16.023% and by Banca Sella S.p.A. for 83.977%.

- Centrico Selir S.r.l. – Galati, Romania.

The corporate capital of Centrico Selir S.r.l. is held by Centrico S.p.A. for 99.902%.

- Nivola S.p.A. – Milan, Italy.

The corporate capital of Nivola S.p.A. is held by Centrico S.p.A. for 51%.

- Centrico India Private Ltd. – Chennai, India.

- The corporate capital of Centrico India Private Ltd. is held by Banca Sella S.p.A. for 100%.
- Mars 2600 S.r.l. – Treviso, Italy.
- The corporate capital of Mars 2600 S.r.l. is held by the Issuer for 10% and by Stichting Mars 2615 for 90%.
- Sella Fiduciaria S.p.A. – Biella, Italy.
- The corporate capital of Sella Fiduciaria S.p.A. is held by the Issuer for 25% and by Banca Patrimoni Sella & C. S.p.A. for 70%.
- Sella SGR S.p.A. – Milan, Italy.
- The corporate capital of Sella SGR S.p.A. is held by the Issuer for 3.066%, by Banca Sella S.p.A. for 20% and by Banca Patrimoni Sella & C. S.p.A. for 74%.
- Sella Venture Partners SGR S.p.A. – Milan, Italy.
- The corporate capital of Sella Venture Partners SGR S.p.A. is held by the Issuer for 66.00%, by Banca Sella for 9% and by Banca Patrimoni Sella & C. S.p.A. for 15%.
- Fabrick Solutions Spain S.L. – Madrid, Spain.
- Fabrick S.p.A. holds the entire corporate capital.
- dPIXEL S.r.l. – Milan, Italy.
- Fabrick S.p.A. holds the entire corporate capital.
- Alternative Payments Limited – London, United Kingdom.
- Fabrick S.p.A. holds the entire corporate capital.
- CODD&DATE S.r.l. – Milan, Italy.
- Fabrick S.p.A. holds the entire corporate capital.
- CODD&DATE SUISSE S.A.G.L. – Zurich, Suisse.
- CODD&DATE S.r.l. holds the entire corporate capital.
- Immobiliare Lanificio Maurizio Sella S.p.A. – Biella, Italy.
- The corporate capital of Immobiliare Lanificio Maurizio Sella S.p.A. is held by the Issuer for 99.997%.
- Sella Synergy India P.Ltd – Chennai, India.
- The corporate capital of Sella Synergy India P.Ltd is held by the Issuer for 99.999%.
- Miret S.p.A. – Luxembourg.

The Issuer holds the entire corporate capital.

- Sella Broker S.p.A. – Biella, Italy.

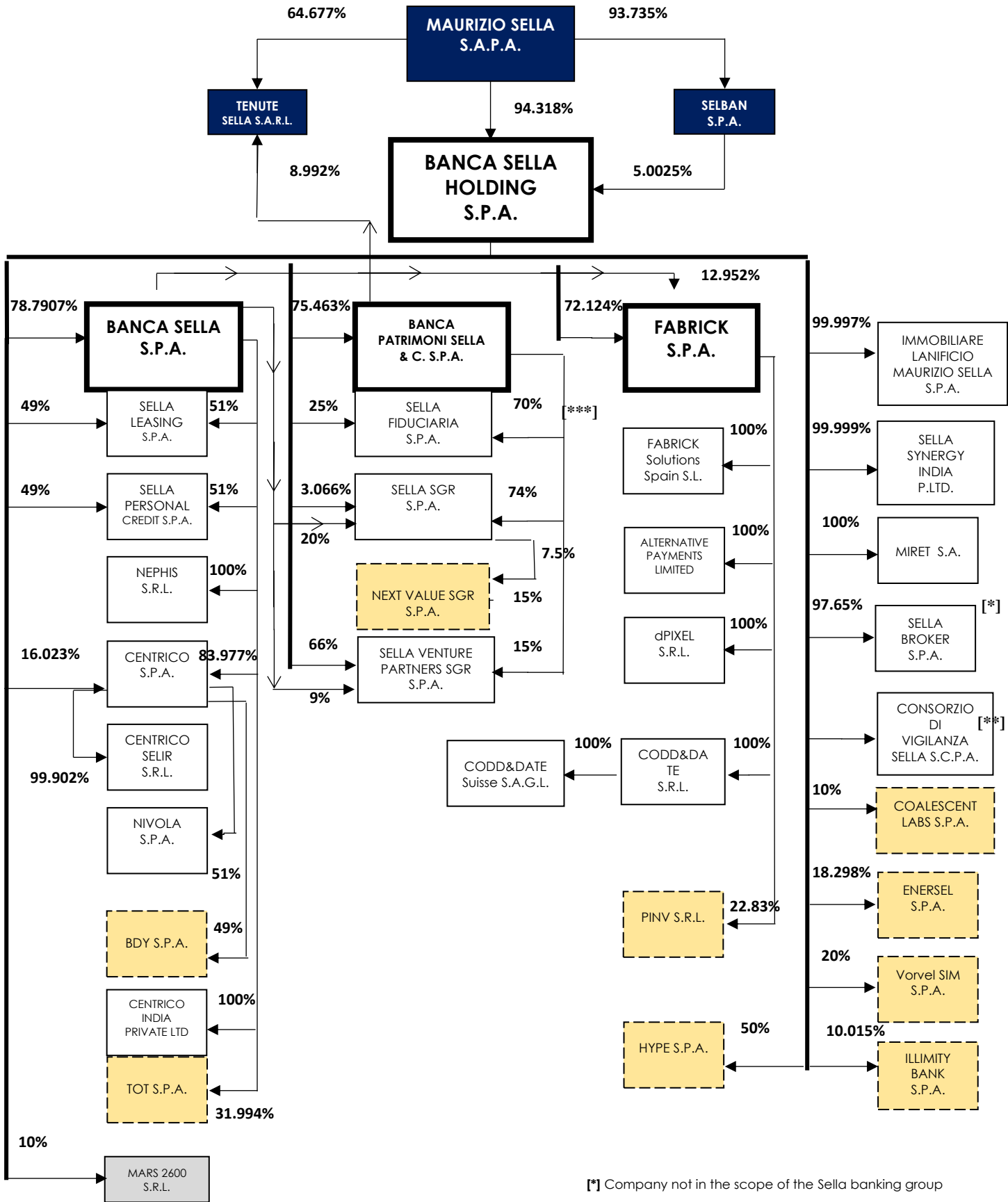
The corporate capital of Sella Broker S.p.A. is held by the Issuer for 97.65%.

- Consorzio di Vigilanza Sella S.C.p.A. – Biella, Italy.

Each of Banca Sella Holding S.p.A., Banca Patrimoni Sella & C. S.p.A., Sella Leasing S.p.A., Banca Sella S.p.A., Immobiliare Lanificio Maurizio Sella S.p.A., Centrico S.p.A., Sella Personal Credit S.p.A. and Fabrick S.p.A. hold 12.5% of the corporate capital of Consorzio di Vigilanza Sella S.C.p.A..

Brief description of the Group of which the Issuer is the Parent Company

The financial conglomerate is composed by product and distribution companies that provide financial services. As of the date of the Base Prospectus, the structure of the Group comprises the companies listed in the structure chart below.



- Companies in the scope of the Sella banking group
- Associated companies
- Fully consolidated securitization vehicle, not in the scope of the Sella banking group
- Company within the scope of prudential consolidation but not within the scope of the Sella banking group

[*] Company not in the scope of the Sella banking group

[**] Banca Sella Holding, Banca Patrimoni Sella & C., Sella Leasing, Banca Sella, Immobiliare Lanificio Maurizio Sella, Centrico, Sella Personal Credit e Fabrick each hold equal stake of 12.5% in Consorzio Vigilanza.

[***] The shareholding differs from the availability of votes at the meeting (57.5%) due to presence of a put option granted by Banca Patrimoni Sella & C to some minority shareholders of the trust

2. DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES

The Issuer has adopted a traditional governance system consisting of (i) a Board of Directors comprising 13 Directors, and (ii) a Board of Statutory Auditors comprising three statutory Auditors and 2 Alternate Auditors, both appointed by the Shareholders' Meeting.

The Board of Directors has established among its members the "Remuneration Committee" (*Comitato Remunerazione*) the Risk Committee (*Comitato Rischio*) and the Appointments Committee (*Comitato Nomine*).

Members of the administrative, management and supervisory bodies

The list of members of the administrative, management and supervisory bodies of the Issuer as at the date of this Base Prospectus and the offices held in other companies are set out below.

Board of Directors

The Board of Directors of the Issuer, which has been appointed during the Shareholders' meeting on 29 April 2022, is the body entrusted with the strategic supervisory function. It is granted the broadest powers for the management of the Issuer and for the definition of the Issuer's guidelines for the internal control system and to check the consistency with the strategic targets and the defined risk appetite.

In compliance with Shareholders' resolution, the mandate of the Board of Directors is for three exercises, meaning that it will remain in office until approval of the Issuer's 2024 annual financial statement.

Composition

NAME AND SURNAME	OFFICE HELD IN THE ISSUER	PRINCIPAL OFFICES HELD IN OTHER COMPANIES
Maurizio Sella	Chairperson	<ul style="list-style-type: none"> – Chairperson Banca Sella S.p.A. – Chairperson Banca Patrimoni Sella & C. S.p.A. – Chairperson Selban S.p.A. – Acting Partner Maurizio Sella S.A.p.A. – Director Finind S.p.A. – Director Turlo s.s.
Sebastiano Sella	Deputy Chairperson	<ul style="list-style-type: none"> – Deputy Chairperson Sella Leasing S.p.A. – Deputy Chairperson Banca Sella S.p.A. – Deputy Chairperson Maurizio Sella S.A.p.A. – Director Banca Patrimoni Sella & C. S.p.A.

		<ul style="list-style-type: none"> – Chairperson Kitenergy S.r.l. – Director Arabesque A.S.
Giacomo Sella	Deputy Chairperson	<ul style="list-style-type: none"> – Chairperson Sella Venture Partners SGR S.p.A. – Deputy Chairperson Finind S.p.A. – Acting Partner Maurizio Sella S.A.p.A. – Director Tollegno Holding S.p.A. – Director Ontario Ltd
Pietro Sella	Chief Executive Officer	<ul style="list-style-type: none"> – Director Banca Sella S.p.A. – Chairperson Fabrick S.p.A. – Chairperson Maurizio Sella S.A.p.A. – Director Turlo s.s.
Franco Bruni	Non-executive Director	
Franco Cavalieri	Non-executive Director	
Massimo Condinanzi	Non-executive Director	<ul style="list-style-type: none"> – Deputy Chairperson Fabrick S.p.A. – Director Lauretana S.p.A.
Marta Cosulich	Non-executive Director	<ul style="list-style-type: none"> – Chairperson Express S.r.l. – Chairperson Fratelli Cosulich Brazil Ltd – Chairperson GEOS Gestione Entrate ed Organizzazione Servizi S.r.l. Chairperson Link Industrie S.r.k. – Chairperson Link Trading Beijing – Chairperson Vulcania S.r.l. – Managing Director Coluch International S.r.l.

		<ul style="list-style-type: none"> – Managing Director Fratelli Cosulich S.p.A. – Director Comunico S.r.l. – Director Dragon Maritime Koper D.O.O. – Director Express Koper D.O.O. – Director Express U.S.A. Inc. – Director Genesys Informatica S.r.l. – Director MAC Welding S.r.l. – Director Università degli Studi di Genova
Giovanna Nicodano	Non-executive Director	<ul style="list-style-type: none"> – Director Claviere Vetta S.s.
Laura Nieri	Non-executive Director	
Giovanni Petrella	Non-executive Director	<ul style="list-style-type: none"> – Chairperson Sella SGR S.p.A. – Chairperson Lendlease Italy SGR
Ernesto Rizzetti	Non-executive Director	<ul style="list-style-type: none"> – Director Immobiliare Lanificio Maurizio Sella S.p.A. – Director Fabrick S.p.A. – Director Centrico S.p.A. – Managing Director ENERSEL S.p.A. – Acting Partner Maurizio Sella S.A.p.A. – Managing Director L.A.P. S.r.l. – Director Lanificio di Tollegno S.p.A. – Managing Director Monforte S.r.l. – Director Tollegno Holding S.p.A.
Caterina Sella	Non-executive Director	<ul style="list-style-type: none"> – Chairperson Sella Fiduciaria S.p.A.

		– Director Lanificio di Tollegno S.p.A. – Director Studio DPS Associati
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Board of Statutory Auditors

The Board of Statutory Auditors holds the supervisory function and oversees, *inter alia*, the functioning of the internal control system, the compliance with legal, regulatory and statutory provisions and the adequacy of the organisational, administrative and accounting structure. It also represents the supervisory body pursuant to the provisions of Legislative Decree No. 231/2001.

Each component of the Board of Statutory Auditors will remain in office for three exercises, and anyway until the meeting for the approval of the financial statement of the third exercise. For the sake of clarity, each component can be re-elected.

Composition

NAME AND SURNAME	OFFICE HELD IN THE ISSUER	PRINCIPAL OFFICES HELD IN OTHER COMPANIES
Pierluigi Benigno	Chairperson of the Board of Statutory Auditors	– Chairperson Auditors' Board Avenire Nuova Editoriale Italiana S.p.A. – Statutory Auditor IN-DOMUS S.r.l.
Marina Barbieri	Statutory Auditor	– Chairperson Auditors' Board FOPE S.p.A. – Statutory Auditor Burgo Energia S.p.A. – Statutory Auditor Cartonal Italia S.p.A. – Statutory Auditor De Filippi & Ing. Reyneri S.r.l. – Statutory Auditor DFI S.r.l. – Statutory Auditor Hikoki Power Tools Italia S.p.A. – Statutory Auditor Parsid S.p.A. – Statutory Auditor Progind S.p.A. – Statutory Auditor Vimercati S.p.A.
Daniele Frè	Statutory Auditor	– Chairperson Auditors' Board Centrico S.p.A.

		<ul style="list-style-type: none"> - Chairperson Auditors' Board DPIXEL S.r.l. - Chairperson Auditors' Board Nivola S.p.A. - Chairperson Auditors' Board Sella Venture Partners SGR S.p.A. - Chairperson Auditors' Board Coalescent Labs S.p.A. - Chairperson Auditors' Board Maurizio Sella S.A.p.A. - Chairperson Auditors' Board VORVEL SIM S.p.A. - Chairperson Auditors' Board Artisan DNA S.p.A. - Chairperson Auditors' Board Viceversa S.p.A. - Chairperson FIER 1 S.p.A. - Sole Director Immobiliare Ulisse S.r.l. - Sole Director Rigazio Trustee S.r.l. - Director Finanziaria Immobiliare d'Este S.r.l. - Statutory Auditor Immobiliare Lanificio Maurizio Sella S.p.A. - Statutory Auditor Sella Broker S.p.A. - Statutory Auditor Selban S.p.A. - Statutory Brandon Group S.r.l. - Statutory Auditor Borno Energia Pulita S.p.A. - Statutory Auditor Cubbit S.r.l. - Statutory Auditor Olivari B. S.p.A. - Statutory Auditor Ramelli S.p.A. - Alternate Auditor Banca Sella S.p.A.
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		<ul style="list-style-type: none"> - Alternate Auditor CODD&DATE S.r.l. - Alternate Auditor Fabrick S.p.A. - Alternate Auditor Sella Fiduciaria S.p.A. - Alternate Auditor Sella SGR S.p.A. - Alternate Auditor AIDEXA Holding S.p.A. - Alternate Auditor Montefarmaco OTC S.p.A. - Alternate Auditor Consorzio di Vigilanza Sella S.C.p.A. - Sole Auditor Ferramenta Alliata S.r.l.
Gianluca Cinti	Alternate Auditor	<ul style="list-style-type: none"> - Chairperson Auditors' Board Fabrick S.p.A. - Chairperson Auditors' Board BOSFIN S.p.A. - Statutory Auditor Sella Venture Partners SGR S.p.A. Statutory Auditor Centrico S.p.A. - Statutory Auditor Nivola S.p.A. - Statutory Auditor BDY S.p.A. - Statutory Auditor HYPE S.p.A. - Statutory Auditor Ronchi Holding S.p.A. - Statutory Auditor Ronchi Mario S.p.A. - Alternate Auditor CODD&DATE S.r.l. - Director Amandla S.r.l.
Mariella Giunta	Alternate Auditor	<ul style="list-style-type: none"> - Chairperson Auditors' Board Abbott Medical S.p.A. - Chairperson Auditors' Board Galli & Cassina S.p.A.

		<ul style="list-style-type: none"> – Chairperson Auditors' Board Conceria Stefania S.p.A. – Chairperson Auditors' Board Sella SGR S.p.A. – Director Fondazione Dottori Commercialisti di Milano – Statutory Auditor Banca Sella S.p.A. – Statutory Auditor Adesital S.p.A. – Statutory Auditor CER.COL. S.p.A. – Statutory Auditor Vinavil S.p.A. – Statutory Auditor Vaga S.r.l. – Statutory Auditor Profilpas S.p.A. – Statutory Auditor Polyglass S.p.A. – Statutory Auditor MAPEI S.p.A. – Statutory Auditor Galderma Italia S.p.A. – Statutory Auditor Expert Italy Consortile – Statutory Auditor Mosaico S.r.l. – Alternate Auditor Dolce & Gabbana S.r.l. – Alternate Auditor De Poli di Chiara De Poli & C. S.p.A.
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All members of the Board of Directors and of the Board of Statutory Auditors meet the integrity and professional requirements provided for by the legislation and regulations currently in force.

All members of the Board of Statutory Auditors are on the Register of Auditors.

General Management

NAME AND SURNAME	OFFICE HELD IN THE ISSUER	PRINCIPAL OFFICES HELD IN OTHER COMPANIES
Pietro Sella	Chief Executive Officer	– Director Banca Sella S.p.A.

		<ul style="list-style-type: none"> – Chairperson Fabrick S.p.A. – Chairperson Maurizio Sella S.A.p.A. – Director Turlo s.s.
Attilio Viola	Cogeneral Manager	<ul style="list-style-type: none"> – Chairperson Immobiliare Lanificio Maurizio Sella S.p.A. – Deputy Chairperson Banca Sella S.p.A. – Deputy Chairperson Sella Personal Credit S.p.A. – Deputy Chairperson Selban S.p.A. – Director Sella Broker S.p.A.
Mara Carollo	Director OneSella Corporate Center	
Alessandro Marchesin	Director Business Line Wealth & Asset Management	<ul style="list-style-type: none"> – Deputy Chairperson Sella SGR S.p.A. – Director Banca Patrimoni Sella & C. S.p.A. – Director Sella Venture Partners SGR S.p.A.
Carlo Prina della Tallia	Director Business Line Treasury & Financial Markets	<ul style="list-style-type: none"> – Director Coalescent Labs S.p.A. – Director Vorvel SIM S.p.A.
Massimo Angelo Vigo	Director Business Line Commercial Bank	<ul style="list-style-type: none"> – Managing Director and General Manager Banca Sella S.p.A. – Director Fabrick S.p.A.
Paolo Zaccardi	Director Business Line Open Finance	<ul style="list-style-type: none"> – Managing Director and General Manager Fabrick S.p.A. – Chairperson Fabrick Solutions Spain S.L. – Director HYPE S.p.A. – Director Fintech & Insurtech Accelerator S.r.l.

The business address of each member of the Board of Directors, Board of Statutory Auditors and General Management is Piazza Gaudenzio Sella, 1, 13900 Biella, Italy.

Conflicts of interests of the administration, management and control bodies

As at the date of this Base Prospectus, and to the Issuer's knowledge – including upon examination as required under article 36 of Law Decree No. 201 of 6 December 2011, as converted into Law No. 214 of 22 December 2011 – no member of the Board of Statutory Auditors, the Board of Directors or the general management of the Issuer is subject to potential or actual conflicts of interest between their obligations arising out of their office or employment with the Issuer or the Group and any duties to the Issuer and their private interest and any of their other duties which may prejudice the autonomy and independence of such subjects, except for those that may concern transactions put before the competent bodies of the Issuer and/or entities belonging to the Group, such transactions having been undertaken in compliance with the relevant regulations in force.

The members of the administrative, management and control bodies of the Issuer are required to implement the following provisions governing circumstances in which there exists a specific interest concerning the implementation of a transaction:

- Article 53 (*Supervisory regulations*) of the Italian Consolidated Banking Act and the relevant implementing regulations issued by the Bank of Italy, with particular reference to the supervisory regulations relating to transactions with related parties;
- Article 136 (*Duties of banking officers*) of the Italian Consolidated Banking Act which requires the adoption of a particular authorisation procedure where an officer, directly or indirectly, assumes obligations towards the bank in which such officer has an administrative, management or control function; and
- Article 2391 (*Directors' interests*) of the Italian Civil Code.

The Issuer and its corporate bodies have adopted internal measures and procedures to guarantee compliance with the above-mentioned provisions.

3. MAJOR SHAREHOLDERS.

Entities controlling the Issuer

As at the date of this Base Prospectus, the following entities hold significant stakes in the capital of Banca Sella Holding:

- Maurizio Sella S.A.p.A, 94.318% of the share capital;
- Selban S.p.A., 5.0025% of the share capital and
- Others (including employees, retired employees) 0,6795% of the share capital.

No arrangements, the operation of which may at a subsequent time result in a change in control of the Issuer, are known to the same Issuer.

4. ASSET QUALITY

The following table sets out credit risk ratios of the Group as at 31 December 2023 and 31 December 2022:

	31.12.2023	31.12.2022
Net Non-Performing Loans ratio	1.6%	1.8%
Gross Non-Performing Loans ratio	3.0%	3.5%

Cost of risk adjusted	0.4%	0.4%
Texas ratio	22.7%	27.2%

5. REGULATORY CAPITAL

As at 31 December 2023, the Sella Group's capital ratios were as follows: Common Equity Tier 1 ratio of 13.36 per cent., Tier 1 ratio of 13.61 per cent and a Total Capital ratio of 15.47 per cent. As at 31 March 2024, the Sella Group's capital ratios were as follows: Common Equity Tier 1 ratio of 13.03 per cent., Tier 1 ratio of 13.27 per cent and a Total Capital ratio of 15.44 per cent.

For the Sella Group there is coincidence between the "fully loaded" ratios and the "phased-in" ratios, having waived, when adopting the AIRB models, the benefit of the phase-in pursuant to IFRS 9.

For regulatory capital purposes, the scope of consolidation of the Group also includes Maurizio Sella S.A.p.A. and Selban S.p.A.

The SREP requirements for 2023 in relation to the Sella Group on a consolidated basis (perimeter for regulatory capital purposes) are:

- minimum CET1 requirement 7.65 per cent.,
- minimum Tier 1 Capital Ratio requirement 9.35 per cent. and
- minimum total capital ratio 11.65 per cent.

The Sella Group informs that the Bank of Italy has provided – with effect from 31 March 2024 – that the minimum CET1 requirement for the Sella Group on a consolidated basis (perimeter for regulatory capital purposes) is 7.8 per cent., the minimum Tier 1 Capital Ratio requirement is 9.6 per cent., while the total capital ratio is 11.9 per cent..

6. COURT AND ARBITRATION PROCEEDINGS

The Issuer and the companies belonging to the Group are subject to a number of court proceedings related to the conduct of their core business operations. Set out below is a brief description of the legal proceedings pending against the Issuer and the other companies belonging to the Group which are considered the most important in the Issuer's opinion.

In total, as of 31 December 2023, 207 cases are pending, of which 131 with the defendant Banca Sella S.p.A. and a total petitem of about 34.7 million euros, 44 with Sella Personal Credit S.p.A. with a total petitem of 800 thousand euros, 11 with Sella Leasing S.p.A. with a total petitem of 1.3 million euros, 12 with Banca Patrimoni Sella & C. S.p.A. with a total petitem of 4.5 million euros and 1 with Banca Sella Holding S.p.A. with a petitem of about 22 thousand euros. The situation of the dispute attributable to the subsidiary under Luxembourg law Miret S.A. which is the defendant in 8 disputes, for a total amount of about 800 million euros, in relation to which in the absence of further events that occurred during the year there were no quantitative changes to the estimate of the provisions on operational risks already made for the purposes of the financial statements in previous years. To cover any liabilities that could arise from pending legal proceedings, the Group has provisions in place for about 50 million euros, made up of the sum of individual funds established following the assessment of each position.

7. MATERIAL CONTRACTS

At the date of the Base Prospectus, the Issuer and the Group companies have not implemented, signed and/or planned material contracts other than those entered into in the normal course of their typical activities that could affect the Issuer's ability to meet its obligations to the Noteholders.

8. RECENT DEVELOPMENTS

With legal effective date 1 April 2024, the company Axerve S.p.A., specialized in the acceptance of payments on physical and digital channels, was merged by incorporation into Fabrick S.p.A..

The merger operation has the objective, by integrating Axerve's complementary offering, to position Fabrick as a business solver, i.e. as an entity capable of offering modular embedded finance solutions.

As part of its ordinary supervisory activities, at the end of September 2023, the Bank of Italy began a general inspection of Banca Sella Holding, relating to the Sella Group. The inspection was concluded in December and the inspection report was delivered on 20 March 2024.

The report was substantially positive (partially favourable) and the observations pointed out were of a managerial nature.

Further analysis is currently underway to provide the Bank of Italy with the considerations regarding the observations made and to plan the improvement measures that will have to be implemented, where not already started or concluded.

9. CERTAIN REGULATORY ASPECTS RELATING TO THE ISSUER

Banking Resolution under the EU Bank Recovery and Resolution Directive (BRRD)

The Issuer as a bank is subject to the Directive 2014/59/EU, which is the so-called Bank Recovery and Resolution Directive (**BRRD**), as implemented in the Italian legal framework.

In particular, the BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette on 16 November 2015.

According to these provisions of law and in summary, in the event that the following conditions are met, the relevant bank shall be put under resolution: (i) the resolution Authority (in Italy, the Bank of Italy, acting in accordance with decisions taken by the EU resolution authority, the SRB (as defined below)) has determined, after consultation with the competent authority and vice versa, as applicable, that the bank is failing or is likely to fail; (ii) there is no reasonable prospect that any alternative private sector measures would prevent the failure of the institution within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest (that is, it is necessary for the achievement of and is proportionate to one or more of the resolution objectives referred to in Article 31 of the BRRD and winding up of the bank under normal insolvency proceedings would not meet those resolution objectives to the same extent). In this context, an institution is considered as failing or likely to fail, alternatively, when: (a) it is, or is likely in the near future to be, in breach of requirements necessary to maintain its authorisation to carry out banking activities, because the institution has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or (d) it requires extraordinary public financial support in order to recover (except in limited circumstances).

Upon the opening of a resolution procedure, the resolution authorities are entrusted with the power to apply, on a stand-alone basis or in combination, the following tools:

- the sale of business, through which the resolution authority may transfer to a purchaser, on commercial terms (except for the case in which the application of commercial terms may affect the effectiveness of the sale or other instruments of ownership issued by the business tool or impose a material threat to financial stability): (a) the shares of the bank under resolution; and (b) all or any assets, rights and liabilities of the latter;
- incorporation of a so-called “bridge institution”, through which the resolution authority may transfer to the bridge institution (an entity created for this purpose that is wholly owned by one or more public authorities and is controlled by the resolution authority): (a) the shares or other instruments of ownership issued by the bank under resolution; and (b) all or any assets, rights and liabilities of the latter;
- the asset separation, through which the resolution authority may transfer assets, rights or liabilities of a bank or of a bridge institution (e.g. impaired assets, such as non-performing exposures) to one or more asset management vehicles (an entity created for this purpose that is wholly or partially owned by one or more public authorities and is controlled by the resolution authority) with a view to maximizing their value through the sale or orderly winding down; and
- bail-in, through which the resolution Authority may, jointly or severally: (a) write-down the bank’s Common Equity Tier 1 (**CET1**), Additional Tier 1 (**AT1**) and Tier 2 (**T2**) instruments; (b) write-down the eligible liabilities, including bonds (with certain exceptions); and (c) convert eligible liabilities into equity (shares or other instrument of ownership).

As to the application of bail-in, the resolution Authority must take into account the ranking of the bank’s creditors according to the ordinary insolvency procedures, as the BRRD (and the corresponding Italian implementing rules) stipulates that, under resolution, no creditor may incur losses greater than they would have incurred under normal insolvency proceedings (the so called “no creditor worse off” principle).

Thus, in general terms, the ranking of the persons which may be subject to bail-in – from the lowest to the highest – is the following:

- holders of Common Equity Tier 1 instruments;
- holders of Additional Tier 1 instruments;
- holders of Tier 2 instruments, including subordinated notes;
- holders of senior non-preferred notes;
- holders of senior notes;
- depositors qualifying as large firms; and
- depositors qualifying as natural persons or SMEs.

The deposits within EUR100,000 are protected by the Italian deposit guarantee schemes, such as the “*Fondo Interbancario di Tutela dei Depositi (FITD)*”.

The non-preferred senior notes (notes intending to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-bis of the Italian Consolidated Banking Act) were introduced in Italy by the Italian Law No. 205/2017, implementing Directive (EU) 2017/2399. They constitute direct, unconditional, unsecured and non-preferred obligations, ranking junior to senior notes (or equivalent instruments), *pari passu*, without any preferences among themselves, and in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-bis, letter c-bis of the Italian Consolidated Banking Act.

Without prejudice to the above, the resolution authority may, in specified exceptional circumstances, partially or fully exclude certain further liabilities from the application of the bail-in tool (the **General Bail-In Tool**).

The BRRD also provides for a Member State as a last resort, after having assessed and applied the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable while maintaining financial stability and subject to certain other conditions, 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 recapitalisation, EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

In addition to the General Bail-In Tool and other resolution tools, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken with losses taken in accordance with the priority of claims under normal insolvency proceedings (**Non-Viability Loss Absorption**).

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 (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or, in certain circumstances, its group will no longer be viable unless the relevant capital instruments are written-down or converted; or (iii) extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and to preserve financial stability.

The BRRD also requires institutions to meet at all times a sufficient aggregate amount of own funds and "eligible liabilities" expressed as a percentage of the total liabilities and the own funds of the institution (i.e. **Minimum Requirement for Own Funds and Eligible Liabilities** or **MREL**). The aim is that the minimum amount should be proportionate and adapted for each category of bank on the basis of their risk or the composition of their sources of funding and to ensure adequate capitalisation to continue exercising critical functions post-resolution. The Commission Delegated Regulation (EU) 2016/1450 set out the assessment criteria that resolution authorities should use to determine the MREL for individual firms. The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not subject to supervision by the ECB)

or to the Single Resolution Board (the **SRB** and jointly with the Bank of Italy, the Resolution Authorities) for banks subject to direct supervision by the ECB.

The determination that securities issued by the Issuer or the Group will be subject to write-down, conversion or bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer or Group's control. This determination will also be made by the relevant Resolution Authorities and there may be many factors, including factors not directly related to the Issuer or the Group, which could result in such a determination. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of a bail-in power may occur which would result in a principal write off or conversion to other securities, including equity. Moreover, as the criteria that the Resolution Authorities will be obliged to consider in exercising any bail-in power provide it with considerable discretion, holders of the securities issued by the Issuer or the Group may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Issuer or the Group and the securities issued by the Group. Potential investors in the securities issued by the Issuer or the Group should consider the risk that a holder may lose all or part of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

Furthermore, on 1 June 2016, the Commission Delegated Regulation (EU) 2016/860 of 4 February 2016 (**Delegated Regulation (EU) 2016/860**) specifying further the circumstances where exclusion from the application of write-down or conversion powers is necessary under Article 44(3) of BRRD was published on the Official Journal of the European Union. In particular, this regulation lays down rules specifying further the exceptional circumstances provided for in Article 44(3) of BRRD, where the resolution authority may exclude, or partially exclude, certain liabilities from the application of the write down or conversion powers where the bail-in tool is applied. The Delegated Regulation (EU) 2016/860 entered into force on 21 June 2016.

Furthermore, under resolution, the resolution authorities have relevant ancillary power aimed at ensuring a smooth resolution of the bank. In particular, they are entitled to amend or alter the maturity of certain debt instruments (such as senior notes, non-preferred senior notes and subordinated notes) issued by the bank under resolution or to amend the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

In general terms, the resolution authority is also entitled to cancel or modify the terms of any contract to which the bank under resolution is a party, to suspend the bank's contractual obligations or to substitute a recipient as a party.

On the other hand, the application of a resolution measure shall not, per se (i.e. provided that the bank continues to perform its obligations under the relevant agreements), make it possible to: (i) exercise any termination, suspension, modification, netting or set-off rights; (ii) obtain possession, exercise control or enforce any security over any property of the bank in relation to an agreement which includes cross-default provisions; or (iii) affect any contractual rights of the bank in relation to an agreement which includes cross-default provisions.

In this regard, it should be noted that, in any case, the BRRD Decrees introduced strict limitations on the possibility to exercise the rights of set-off normally available under Italian insolvency laws, in case of resolution.

As to the financing of the resolution action, the resources may be provided by the national resolution funds and the SRB. However, in accordance with the burden-sharing principle, the intervention of such

funds is only admitted where a contribution to loss absorption and recapitalisation equal to an amount not less than 8% of the total liabilities (including own funds) of the bank under resolution, measured at the time of the resolution action, has been made by the shareholders and the holders of other instruments of ownership, the holders of relevant capital instruments and other eligible liabilities through write down, conversion or otherwise. In any case, the contribution of the resolution funds shall not exceed 5% of the total liabilities, including own funds of the bank under resolution, measured at the time of the resolution action.

On 23 November 2016, the European Commission published a proposal to amend certain provisions of the BRRD. The proposal includes an amendment to Article 108 of the BRRD aimed at further harmonising the creditor hierarchy as regards the priority ranking of holders of bank senior unsecured debt in resolution and insolvency. A new class of so-called “senior non-preferred debt” was proposed to be added that would be eligible to meet the total loss absorbing capacity (TLAC) requirements and the MREL requirements. This new class of debt will be senior to all subordinated debt, but junior to ordinary unsecured senior claims.

The proposal of the European Commission resulted in the adoption of Directive (EU) 2017/2399 of 12 December 2017 amending the BRRD with regard to the ranking of unsecured debt instruments in insolvency hierarchy which was published in the Official Journal of the European Union on 27 December 2017 and had to be transposed into national law by the Member States by 29 December 2018. In this regard, the Italian Law no. 205/2017, approved by the Italian Parliament on 27 December 2017, contains the implementing provisions pertaining to “non-preferred” senior debt instruments.

The amendments to the BRRD did not affect the existing stocks of bank debt and their statutory ranking in insolvency pursuant to the relevant laws of the Member State in which the bank is incorporated.

The EU Banking Framework includes BRRD II, which provides for a number of significant revisions to the BRRD. BRRD II provides that Member States were required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the TLAC standard applying from January 2022 while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The EU Banking Framework includes, among other things:

- (i) full implementation of the FSB's TLAC standard in the EU and revisions to the existing MREL regime. Additional changes to the MREL framework include changes to the calculation methodology for MREL, criteria for the eligible liabilities which can be considered as MREL, the introduction of internal MREL and additional reporting and disclosure requirements on institutions;
- (ii) introduction of a new category of “top-tier” banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed EUR100 billion;
- (iii) the introduction of a new moratorium power for resolution authorities and requirements on the contractual stays in resolution; and
- (iv) amendments to the article 55 regime in respect of the contractual recognition of bail-in. Changes to the BRRD under BRRD II impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

In order to ensure compliance with MREL requirements, and in line with the FSB standard on TLAC, the BRRD II provides that in case a bank does not have sufficient eligible liabilities to comply with its MREL,

the resultant shortfall is automatically filled up with CET1 Capital that would otherwise be counted towards meeting the combined capital buffer requirement. However, under certain circumstances, the BRRD II envisages a nine-month grace period before restrictions to discretionary payments to the holders of regulatory capital instruments and employees take effect due to a breach of the combined capital buffer requirement.

On 20 May 2020, the Single Resolution Board published a non-binding policy named “Minimum Requirements for Own Funds and Eligible Liabilities (MREL) Policy under the Banking Package”, aiming at helping to ensure that MREL is set in the context of fully feasible and credible resolution plans for all types of banks, as well as promoting a level playing field across banks, including subsidiaries of non-banking Union (EU) banks. The policy, whose last update has been issued on 15th May 2024, addresses the following topics:

- (i) calibration: the policy provides for modifications and extensions of the SRB’s approach to MREL calibration in accordance with the framework set out by the EU Banking Framework;
- (ii) subordination for resolution entities: the policy sets the following subordination requirements:
 - (i) pillar 1 banks (being, for sake of clarity, the Basel II rules on capital adequacy, which is the minimum amount of capital that each bank shall comply with pursuant to the law) are subject to subordination requirements composed of a non-adjustable Pillar 1 MREL requirement that must be met with own funds instruments and eligible liabilities that are subordinated to all claims arising from excluded liabilities; (ii) Pillar 1 Banks’ resolution authorities shall ensure that the subordinated MREL resources of Pillar 1 Banks are equal to at least 8% of total liabilities and own funds (TLOF); and (iii) non-Pillar 1 Banks will be subject to a subordination requirement only upon the decision of the resolution authority to avoid a breach of the so called “no creditor worse off principle”, following a bank-specific assessment carried out as part of resolution planning;
- (iii) internal MREL for non-resolution entities: the policy states that the SRB will progressively expand the scope of non-resolution entities for which it will adopt internal MREL decisions, and it may waive subsidiary institutions qualifying as non-resolution entities from internal MREL at certain conditions. In addition, the policy defines criteria for the SRB’s possibility to permit the use of guarantees to meet the internal MREL within the Member State of the resolution entity;
- (iv) MREL for cooperative groups: the policy sets out minimum conditions to authorise certain types of cooperative networks to use eligible liabilities of associated entities other than the resolution entity to comply with the external MREL, as well as minimum conditions to waive the internal MREL of the legal entities that are part of the cooperative network;
- (v) eligibility of liabilities issued under the law of a third country: the SRB has developed a checklist to assist banks in establishing if liabilities are eligible. The policy also provides more details on eligibility characteristics for specific types of liabilities and expands on how liabilities issued under the law of third countries can be considered eligible through contractual recognition;
- (vi) transitional arrangements: the policy explains the operationalisation of transitional periods up to the 2024 deadline, including binding intermediate targets in 2022 and informative targets in 2023, also stating that transitional arrangements must be bank-specific (since they depend on the MREL tailored to that bank and its resolution plan, and the bank’s progress to date in raising MREL-eligible liabilities); and

- (vii) M-MDA: The SRB may set restrictions for banks that do not comply with the Combined Buffer Requirement (CBR), preventing them from distributing more than the Maximum Distributable Amount related to MREL (M-MDA). The M-MDA may also be imposed in cases of breaches of the MREL. The Policy describes the two-stage assessment and the expectations for the banks as regards the notification.

The above mentioned MREL policy is reviewed and updated by the SRB on a yearly basis.

In September 2020, the European Commission issued a notice aimed at interpreting certain legal provisions of the revised bank resolution framework (i.e. BRRD, SRM Regulation, CRR and CRD IV Directive) in reply to questions raised by national competent authorities (NCAs), addressing the following issues: (i) the power to prohibit certain distributions; (ii) powers to suspend payment or delivery obligations; (iii) the selling of subordinated eligible liabilities to retail clients; (iv) minimum requirement for own funds and eligible liabilities; (v) bail-in tool; (vi) contractual recognition of bail-in; (vii) write-down or conversion of capital instruments and eligible liabilities; (viii) exclusion of certain contractual terms in early intervention and resolution; and (ix) contractual recognition of resolution stay powers. As pinpointed by the same European Commission, the notice merely clarifies the provisions already contained in the applicable legislation, while it does not extend in any way the rights and obligations deriving from such legislation nor introduce any additional requirements of the concerned operators and competent authorities.

In April 2021, the Commission Implementing Regulation (EU) 2021/763 on disclosure reporting on MREL and TLAC has been published, providing for: (i) draft uniform disclosure formats for MREL and TLAC disclosure according – respectively – to Articles 45i(6) of the BRRD and 434a of the CRR; (ii) draft uniform reporting templates, instructions and methodology for MREL and TLAC reporting according – respectively – to Articles 45i(5) of the BRRD and 430(7) of the CRR. Title I of the Commission Implementing Regulation (EU) 2021/763 shall apply from 28 June 2021, while Title II shall apply as of 1 June 2021 as regards the disclosures in accordance with Article 437a and point (h) of Article 447 of CRR, and as of the date of application of the disclosure requirements in accordance with the third subparagraph of Article 3(1) of Directive (EU) 2019/879, as regards the disclosures in accordance with Article 45i(3) of BRRD.

On 1 December 2021, Legislative Decree no. 193 of 8 November 2021 (the **193 Decree**), implementing the BRRD II into the Italian jurisdiction, entered into force, amending Legislative Decree no. 180/2015 and the Italian Consolidated Banking Act.

The amendments introduced to Legislative Decree no. 180/2015 aligned the Italian regulatory framework regulating MREL, and the criteria according to which it is determined, to the provisions set forth in BRRD II.

In particular, the amended version of Legislative Decree no. 180/2015 clearly envisages that MREL shall be determined by the Bank of Italy on the basis of the following criteria:

- (i) the need to ensure that the application of the resolution tools to the resolution entity is adequate to meet the resolution's objectives;
- (ii) the need to ensure that the resolution entity and its subsidiaries belonging to the same corporate group subject to resolution have sufficient own funds and eligible assets to ensure that, if the bail-in tool or write-down or conversion powers, respectively, were to be applied to them, losses could be absorbed and that it is possible to restore the total capital ratio and, as applicable, the leverage ratio to a level necessary to enable

them to continue to comply with the conditions for authorisation, according to the regulatory framework currently in force, even if the resolution plan envisages the possibility for certain classes of eligible liabilities to be excluded from bail-in or to be transferred in full to a recipient under a partial transfer;

- (iii) the size, the business model, the funding model and the risk profile of the entity; and
- (iv) the extent to which the failure of the entity would have an adverse effect on financial stability, due to the interconnectedness of the entity with other institutions or entities or with the rest of the financial system.

CRD V Directive and CRR II

In November 2016, the European Commission (the **EC**) published a package of proposed amendments to the CRD IV Directive and the CRR (the **CRD V Directive** and the **CRR II**, respectively). Following the EC's proposals, the CRD V Directive and the CRR II have been issued on 27 June 2019 as Directive 2019/878/EU and Regulation 2019/876/EU respectively. The CRD V Directive applies from 29 June 2020 and CRR II largely applies from 28 June 2021.

The amendments seek to implement some of the remaining aspects of Basel III and reforms which reflect EC findings on the impact of the CRD IV Directive on bank financing of the EU economy. Certain of the changes such as new market risk rules, standardised approach to counterparty risk, details on the leverage ratio and net stable funding requirements and the tightening of the large exposures limit will particularly impact capital requirements. The amendments also seek to require financial holding companies in the European Union to become authorised and subject to direct supervision under the CRD IV Directive. This will place formal direct responsibility on holding companies for compliance with consolidated prudential requirements for financial groups. The amendments also require third-country groups above a certain threshold with two or more credit institutions or investment firms in the European Union to establish an intermediate EU holding company. The minimum requirement for own funds and eligible liabilities provisions in the CRR are also amended to bring the requirement in line with the Financial Stability Board's (**FSB**) final total loss absorbing capacity term sheet standards for globally significant institutions.

The final capital framework to be established in the European Union under the CRD V Directive and/or the CRR II differs from Basel III in certain areas. In December 2017, the Basel Committee finalised further changes to the Basel III framework which include amendments to the standardised approaches to credit risk and operational risk and the introduction of a capital floor. In January 2019, the Basel Committee published revised final standards on minimum capital requirements for market risk. As better detailed below, as of the date of this Base Prospectus, the timing of implementation in the European Union is still uncertain.

Among other measures taken by prudential regulators in response to the COVID-19 pandemic, the Group of Central Bank Governors and Heads of Supervision decided on 2 April 2020 to delay the implementation of these final Basel III standards by one year to 1 January 2023.

In addition to the above, under Article 133 of CRD V, European Member States may introduce a systemic risk buffer of Common Equity Tier 1 capital in order to prevent and mitigate macroprudential or systemic risk not covered by CRR, the countercyclical capital buffer, the G-SII buffer or the O-SII buffer. Pursuant to this provision, the Competent Authority has the power to set one or more systemic risk buffer rates applicable to one or a combination of the exposures of the kind referred to in Article 133(5) of CRD V.

The provisions laid down by the CRD V as to the national competent authorities to introduce a systemic risk buffer have been transposed into the Italian secondary level legislation, now also providing for the Bank of Italy's authority to set one or more systemic risk buffer rates.

Following a public consultation procedure, on 26 April 2024, the Bank of Italy decided to apply a systemic risk buffer (SyRB) of 1.0 per cent of exposures towards Italian residents weighted for credit and counterparty credit risks. The SyRB applies to all banks and banking groups authorised in Italy. The buffer rate target would be reached gradually: 0.5 per cent would need to be set aside by 31 December 2024, and the remaining 0.5 per cent by 30 June 2025. The SyRB is to be applied at the highest level of consolidation for banking groups.

On 27 October 2021, the Commission's proposal was published, which transposes into the CRR (CRRIII) and CRD (CRD VI and jointly with the CRR III the 2021 "**Banking Reform Package**") the standards approved by the Basel Committee at the end of 2017, with specific reference to the treatment of the main risks (credit, market and operational) and the so-called "output floor". It also contains references on the issue of climate risks and the approach that banks and supervisors will have to take. The Commission's proposal pursues three main objectives: (i) further strengthening the resilience of the European banking system, respecting the principle of proportionality and taking into account the specificities already contained in the existing rules; (ii) contributing to the "green transition"; (iii) making supervisory powers more effective, also in light of recent financial scandals recorded in some countries.

The 2021 Banking Reform Package (as defined below) has been adopted with the publication of EU Regulation 2024/1623 (amending CRR) and EU Directive 2024/1619 (amending CRD IV Directive) in the Official Journal of the European Union on 19 June 2024. EU Regulation 2024/1623 and EU Directive 2024/1619 will enter into force on 9 July 2024. EU Regulation 2024/1623 shall apply from 1st January 2025 (with some exceptions). As for EU Directive 2024/1619, Member States shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI, and shall apply those measures from 11 January 2026 (with some exceptions). These regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements applicable to the Issuer and the Group.

In such context, it is worth mentioning that on 18 April 2023, the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (the CMDI Reform) framework. The package consists of four legislative proposals that would amend existing EU legislation: the BRRD, the Deposit Guarantee Scheme Directive (DGSD) and the SRM Regulation. New aspects of the framework could include: (i) expanding the scope of resolution through a revision of the public interest assessment to include a regional impact so that more eurozone banks could be brought into the resolution framework, (ii) the use of deposit guarantee schemes to help banks, especially the small ones, to meet a key threshold for bearing losses of 8% of their own funds and liabilities, which then allows them to have access to the Single Resolution Fund, also funded by bank contributions, and help sell the problematic banks' assets and fund their exit from the market, (iii) amending the hierarchy of claims in insolvency and scrapping the "super-preference" of the DGS to put all deposits on equal pegging in an insolvency, but still above ordinary unsecured creditors with the aim of enabling the use of DGS funds in measures other than pay out of covered deposits without violating the least cost test. The proposal received the final endorsement from the European Parliament, sitting on plenary session, on 24 April 2024 and publication of the abovementioned legislative texts is expected to finalize in the coming months.

The Supervisory Review and Evaluation Process

The Issuer is subject to the Pillar 2 requirements for banks imposed under the CRD IV Directive and the CRR which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process (SREP). The SREP is aimed at ensuring that institutions have in place adequate arrangements, strategies, processes and mechanisms to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

On 18 March 2022, the EBA published revised “Guidelines for Common Procedures and Methodologies for the Supervisory Review and Evaluation Process (SREP) and Prudential Stress Tests”, which provide a common framework for supervision in assessing risks to banks' business models, solvency and liquidity, as well as for conducting prudential stress tests. The guidelines will apply as of 1 January 2023.

On 12 October 2022 EBA amended, with Guidelines EBA/GL/2022/13, the scope of application of the Guidelines of 2018 (EBA/GL/2018/10) clarifying that the Guidelines will no longer apply to significant credit institutions, as they are subject to greater disclosure obligations regarding impaired exposures and the measures of concessions, as prescribed by CRR2 and the Implementing Regulation (EU) of March 15, 2021. The EBA/GL/2022/13 Guidelines apply since December 31, 2022.

On 21 December 2022, the Bank of Italy issued the 41st amendment to Circular No. 285, implementing said Guidelines EBA/GL/2022/13.

On 28 May 2024, the ECB announced to the market that its Supervisory Board took the decision to reform the SREP. In particular, the SREP will be adapted to increase efficiency and effectiveness, building on and going beyond changes that have been implemented in recent years, such as a new risk tolerance framework. Changes will be implemented gradually, starting in the second half of 2024 and will be finalised for the 2026 SREP cycle. Although the Supervisory Board's intention is to maintain a full compliance of the revised SREP framework with the EBA guidelines, as at the date of this Base Prospectus, there is still legal uncertainty as to the impact the changes the ECB is about to introduce to the SREP methodology may have on the Issuer and / or Group prudential capital structured in terms of capital prudential requirements and buffers the Issuer will be required to meet at an individual and / or consolidated basis.

Credit Rating

As at the date of this Base Prospectus, the Issuer has been rated:

- (a) “Baa3” (long term deposits) and “P-3” (short term deposits) from Moody's; and
- (b) BBB (long-term deposits rating), R-2(high) (short-term deposits rating), BBB (low) (long-term issuer rating and long-term senior debt) and R-2(middle) (short-term issuer rating and short-term debt) from Morningstar DBRS.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Audit of the consolidated financial statements

The Issuer states that:

- (a) the consolidated financial statements as at and for the year ended 31 December 2023, approved by the Board of Directors on 28 March 2024, have been audited by the independent auditors KPMG S.p.A. who issued their unqualified audit report on 12 April 2024; and
- (b) the consolidated financial statements as at and for the year ended 31 December 2022, approved by the Board of Directors on 28 March 2023, have been audited by the independent auditors KPMG S.p.A. who issued their unqualified audit report on 12 April 2023.

The above consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board as adopted by the European Union.

Alternative Performance Measures

In order to facilitate the understanding of economic and financial performance of the Group, the Issuer's directors have identified certain Alternative Performance Measures (**APMs**).

This Base Prospectus contains or incorporates by reference the following alternative performance measures, as defined by the European Securities and Markets Authority's Guidelines on Alternative Performance Measures (ESMA/2015/1415), which are used by the management of the Issuer to monitor the Group's financial and operating performance and to facilitate management in identifying operational trends and talk about investment decisions, resource allocation and other operational decisions.

With reference to the interpretation of these APMs, the management draws attention to the matters illustrated below:

- (i) the APMs indicators are constructed exclusively from the Group's historical data and are not indicative of the future performance of the Group;
- (ii) the APMs are not required by IFRS and, although derived from the Issuer's consolidated financial statements, are not audited;
- (iii) the APMs should not be seen as a substitute for measures defined according to IFRS; and are not indicative of the Issuer's historical operating results, nor are they meant to be predictive of future results;
- (iv) the APMs should be read together with the Group's financial information as reported in the Issuer's audited consolidated financial statements incorporated by reference in this Base Prospectus; and
- (v) it is to be noted that, since not all companies define and calculate APMs in the same manner, the APMs may not always be those used by other companies or groups.

APMs used by the Group are prepared and presented consistently for all periods for which financial information is included in this Base Prospectus.

Adjusted Data

The Adjusted Data described below has been extracted from the Consolidated Management Report set out in the Consolidated Financial Statement and Report of the Issuer for the year ended December 2023 and 2022. The Adjusted Data has not been audited. The Issuer believes that such adjustments give its presentation of results more comprehensive, and as such intends to continue providing such adjusted data going forward.

With regard to the Adjusted Data, the following figures have been identified as APMs.

The tables below sets forth some figures of the adjusted consolidated income statement, based on management data, among with the reconciliation with figures derived from the 2023 Consolidated Financial Statements.

	For the year ended December 31,		
	2023	Reclassification	2023 Adjusted
	<i>(in Euro thousands, except percentages)</i>		
10 Interest receivable and similar income	709,557	(2,507)	707,050
<i>of which: interest receivable calculated using the effective interest method</i>	661,031	–	661,031
20 Interest payable and similar expenses	(183,978)	–	(183,978)
30 Interest margin	525,579	8,698⁷	534,277
40 Fee income	656,501	75,799	732,300
50 Fee expenses	(215,994)	(81,683)	(297,677)
60 Net fee	440,507	(5,884)	434,623
70 Dividends and similar income	11,205	(11,205)	–
80 Net result of trading activities	47,523	–	47,523
90 Net result of hedging activities	(171)	–	(171)
100 Profits (losses) from sale or repurchase of:	(22,044)	8,281	(13,763)
<i>a) financial assets measured at amortised cost</i>	<i>(22,145)</i>	<i>8,281⁹</i>	<i>(13,864)</i>
<i>b) financial assets measured at fair value through other comprehensive income</i>	<i>152</i>	–	<i>152</i>
<i>c) financial liabilities</i>	<i>(51)</i>	–	<i>(51)</i>
110 Net result of other financial assets and liabilities measured at fair value through profit and loss	13,032	–	13,032
<i>b) other financial assets necessarily measured at fair value</i>	<i>13,032</i>	–	<i>13,032</i>
120 Banking income	1,015,631	(110)	1,015,521
130 Net value adjustments/write-backs for credit risk relative to:	(38,764)	4,674	(34,090)
<i>a) financial assets measured at amortised cost</i>	<i>(38,723)</i>	<i>4,674</i>	<i>(34,049)</i>

⁷ The reclassification includes the account dividends and similar income equal to Euro 11,205 thousand for the year ended December 31, 2023

⁹ The reclassification refers to the profits (losses) from sale or repurchase of financial assets measured at amortised cost – loans with customers.

b) financial assets measured at fair value through other comprehensive income	(41)	-	(41)
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	For the year ended December 31,		
	2023	Reclassification	2023 Adjusted
	<i>(in Euro thousands, except percentages)</i>		
190 Administrative expenses:	(752,739)	158,474	(594,265)
<i>a) personnel expenses</i>	(395,379)	(672) ¹⁰	(396,051)
<i>b) other administrative expenses</i>	(357,360)	159,146	(198,214)
200 Net provisions for risks and charges	(22,813)	22,813	-
<i>a) commitments and securities issued</i>	571	(571) ¹¹	-
<i>b) other net provisions</i>	(23,384)	23,384	-
210 Net value adjustments/write-backs on tangible assets	(41,442)	-	(41,442)
220 Net value adjustments/write-backs on intangible assets	(45,713)	-	(45,713)
230 Other operating expenses/income	160,517	(173,262)	(12,745)
240 Operating expenses	(702,190)	8,025	(694,165)

The tables below sets forth some figures of the adjusted consolidated income statement, based on management data, among with the reconciliation with figures derived from the 2022 Consolidated Financial Statements.

	For the year ended December 31,		
	2022	Reclassification	2022 Adjusted
	<i>(in Euro thousands, except percentages)</i>		
10 Interest receivable and similar income	412,408	(3,795)	408,613
<i>of which: interest receivable calculated using the effective interest method</i>	388,554	-	388,554
20 Interest payable and similar expenses	(57,783)	-	(57,783)
30 Interest margin	354,625	3,962¹²	358,587
40 Fee income	575,684	72,724	648,408
50 Fee expenses	(175,766)	(64,708)	(240,474)
60 Net fee	399,918	8,017	407,935
70 Dividends and similar income	7,757	(7,757)	-
80 Net result of trading activities	77,011	-	77,011
90 Net result of hedging activities	(173)	-	(173)
100 Profits (losses) from sale or repurchase of:	6,088	9,282	15,370

¹⁰ The reclassification refers to the tax effect on personnel costs which is included among the profit (Loss) for the period

¹¹ The reclassification mainly refers to the net provisions for risks and charges – credit risk component (Euro 483 thousand as of December 31, 2023)

¹² The reclassification includes the account dividends and similar income equal to Euro 7,757 thousand for the year ended December 31, 2022

	<i>a) financial assets measured at amortised cost</i>	7,230	9,282 ¹³	16,512
	<i>b) financial assets measured at fair value through other comprehensive income</i>	(1,142)	-	(1,142)
	<i>c) financial liabilities</i>	-	-	-
110	Net result of other financial assets and liabilities measured at fair value through profit and loss	426	-	426
	<i>b) other financial assets necessarily measured at fair value</i>	426	-	426
120	Banking income	845,652	13,504	859,156
130	Net value adjustments/write-backs for credit risk relative to:	(31,872)	3,954	(28,086)
	a) financial assets measured at amortised cost	(31,956)	3,870	(28,086)
	b) financial assets measured at fair value through other comprehensive income	84	(84)	-

For the year ended December 31,

	2022	Reclassification	2022 Adjusted	
	<i>(in Euro thousands, except percentages)</i>			
190	Administrative expenses:	(657,723)	130,354	(527,369)
	<i>a) personnel expenses</i>	(345,562)	(623) ¹⁴	(346,185)
	<i>b) other administrative expenses</i>	(312,161)	130,977	(181,184)
200	Net provisions for risks and charges	(29,622)	(29,622)	-
	<i>a) commitments and securities issued</i>	992	992 ¹⁵	-
	<i>b) other net provisions</i>	(30,614)	(30,614)	-
210	Net value adjustments/write-backs on tangible assets	(37,206)	-	(37,206)
220	Net value adjustments/write-backs on intangible assets	(41,379)	-	(41,379)
230	Other operating expenses/income	123,681	(138,996)	(15,315)
240	Operating expenses	(642,249)	(38,264)	(621,269)

¹³ The reclassification refers to the profits (losses) from sale or repurchase of financial assets measured at amortised cost – loans with customers

¹⁴ The reclassification refers to the tax effect on personnel costs which is included among the profit (Loss) for the period

¹⁵ The reclassification mainly refers to the net provisions for risks and charges – credit risk component (Euro 1,345 thousand as of December 31, 2022)

Measures of profitability

The tables below set forth economic and financial indicators used by the management to monitor the financial and operating performance as of and for the years ended December 31, 2023 and 2022.

The indicators listed below are not identified as accounting measures under IFRS, and therefore, their quantitative determination may not be uniform. In particular, the criteria applied by the Issuer for their determination may not be consistent with those adopted by other companies. As a result, the value of these indicators may not be comparable to the value of similar indicators determined by these other companies.

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
ROE adjusted	10.8%	8.8%
ROA	0.7%	0.5%
Cost to income adjusted	68.0%	71.6%
Cost of risk adjusted	0.4%	0.4%
Texas ratio	22.7%	27.2%

For the sake of clarity, the terms indicated in the chart above and in par. 4 “*Asset Quality*” have the following meaning.

ROE (Return on Equity) adjusted

The table below sets forth the breakdown of the calculation of the ROE adjusted shown in the table above for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Profit (Loss) for the period (A)	148,993	109,546
Equity adjusted (B) ¹⁶	1,382,699	1,247,834
ROE adjusted (A/B)	10.8%	8.8%

ROE adjusted has been calculated as the profit (Loss) for the period compared with the equity adjusted by excluding the valuation reserves and the profit (loss) for the period pertaining to minority interests.

¹⁶ The equity has been adjusted by excluding the item valuation reserves and profit (loss) for the period pertaining to minority interests equal to Euro 46,863 thousand as of December 31, 2023 (Euro 50,239 thousand as of December 31, 2022) and Euro 41,499 thousand as of December 31, 2023 (Euro 17,603 thousand as of December 31, 2022)

ROA (Return on Assets)

The table below sets forth the breakdown of the calculation of the ROA shown in the table above for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Profit (Loss) for the period (A)	148,993	109,546
Total Assets (B)	21,831,776	20,335,525
ROA (A/B)	0.7%	0.5%

ROA has been calculated as the profit (Loss) for the period compared with total assets.

Cost to income

The table below sets forth the breakdown of the calculation of the Cost to income shown in the table above for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Operating expenses adjusted ¹⁷ (A)	694,165	621,270
Banking income adjusted (B)	1,015,521	859,156
Cost to income adjusted (A/B)	68.0%	71.8%

Cost to income adjusted has been calculated as the ratio of operating expenses adjusted net of the tax effect on personnel costs and the losses connected to operational risks on the banking income adjusted.

Cost of risk adjusted

The table below sets forth the breakdown of the calculation of the Cost of risk adjusted shown in the table above for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022

¹⁷ The operating expenses adjusted are net of the tax effect on personnel costs (Euro 672 thousand as of December 31, 2023 and Euro 623 thousand as of December 31, 2022) and the effect of the losses connected to operational risks (Euro 2,799 thousand as of December 31, 2023 and Euro 5,211 thousand as of December 31, 2022)

(in Euro thousands, except percentages)

Value adjustments/recoveries for credit risk (A)	43,091	38,983
Financial assets with customers (excluding debt securities) (B)	11,156,135	10,633,743
Cost of risk adjusted (A/B)	0.4%	0.4%

Cost of risk adjusted has been calculated as total value of adjustments/recoveries for credit risk and the financial assets with customers (which includes the financial assets at amortised cost with customers – loans (excluding debt securities) and the other financial assets necessarily measured at fair value – loans.

The total value of adjustments/recoveries for credit risk has been calculated as follows:

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Net value adjustments/write-backs for credit risk relative to financial assets measured at amortised cost adjusted (A)	34,049	28,086
Profits (losses) from sale or repurchase of financial assets measured at amortised cost adjusted (B)	8,281	9,281
Profits/losses from contractual changes without write-offs (C)	1,244	272
Net provisions for risks and charges – credit risk component (D)	(483)	1,345
Value adjustments/recoveries for credit risk (A+B+C+D)	43,091	38,983

Texas ratio

The table below sets forth the breakdown of the calculation of the Texas ratio shown in the table above for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Gross exposure on non-performing loans (A)	339,913	377,986
Tangible shareholders' equity adjusted ¹⁸ (B)	1,498,621	1,390,890
Texas ratio (A/B)	22.7%	27.2%

¹⁸ The tangible shareholders' equity, which has been calculated as shareholders' equity (Euro 1,578,555 thousand as of December 31, 2023 and Euro 1,407,619 thousand as of December 31, 2022) net of intangible assets (Euro 245,945 thousand as of December 31, 2023 and Euro 203,645 thousand as of December 31, 2022), has been adjusted by including total value adjustments on non-performing loans equal to Euro 166,011 thousand as of December 31, 2023 (Euro 186,916 thousand as of December 31, 2022)

Texas ratio has been calculated as the ratio between gross exposure on non-performing loans and tangible shareholders' equity adjusted by including total value adjustments on non-performing loans.

Net Non-Performing Loans ratio

The table below sets forth the breakdown of the calculation of the Net Non-Performing Loans ratio shown in the table at par. 4 "Asset Quality" for the years ended December 31, 2023 and 2022.

	For the years ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Net exposure on total non-performing loans (A)	174,247	191,419
Cash loans (B)	11,036,532	10,520,406
Net Non-Performing Loans ratio (A/B)	1.6%	1.8%

Net Non-Performing Loans ratio has been calculated as the ratio between net exposure on total non-performing loans (which includes financial assets measured at amortised cost stage 3 and impaired purchased or originated) and the cash loans (which includes the financial assets measured at amortised cost net of debt securities and loans necessarily measured at fair value net of reverse repurchase agreements).

Gross Non-Performing Loans ratio

The table below sets forth the breakdown of the calculation of the Gross Non-Performing Loans ratio shown in the table at par. 4 "Asset Quality" for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022
	<i>(in Euro thousands, except percentages)</i>	
Gross exposure on non-performing loans (A)	339,913	377,986
Cash loans gross (B)	11,267,018	10,770,646
Gross Non-Performing Loans ratio (A/B)	3.0%	3.5%

Gross Non-Performing Loans has been calculated as gross exposure on non-performing loans on the cash loans gross (which includes the financial assets measured at amortised cost net of debt securities, the loans necessarily measured at fair value net of reverse repurchase agreements and the total value adjustments).

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

The statements herein regarding taxation summarise the main tax consequences of the purchase, the ownership, the redemption and the disposal of the Notes. They apply to a holder of Notes only if such holder purchases its Notes in this offering. It is a general overview that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of taxation that may be relevant to a holder of Notes if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law.

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

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect. Accordingly, investors should consider this aspect before investing.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Italian Taxation

Tax treatment of Notes issued by the Issuer

Decree No. 239 sets out the applicable regime regarding the tax treatment of interest, premium and other income from certain securities issued, inter alia, by Italian resident banks (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as **Interest**). The provisions of Decree No. 239 only apply to Notes issued by the Issuer which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree No. 917**). Pursuant to Article 44 paragraph 2, lett. c) of Decree No. 917, for securities to qualify as *titoli similari alle obbligazioni* (securities similar to bonds), they must (i) incorporate an unconditional obligation to pay at maturity an amount not less than that therein indicated, with or without the payment of periodic interest, and (ii) attribute to the holders no direct or indirect right to control or participate in the management of the Issuer or to the business in connection to which the securities were issued. The tax regime set forth by Decree No. 239 also applies to Interest from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, inter alia, Italian banks, other than shares and assimilated instruments as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011 ("**Decree No. 138**") as converted with amendments by Law No. 148 of 14 September 2011 and as further amended from time to time.

Italian Resident Noteholders

Where an Italian resident Noteholder is:

- (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless they have opted for the application of the *risparmio gestito* regime – see under “*Capital gains tax*” below);
- (ii) a non-commercial partnership;
- (iii) a non-commercial private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (iv) an investor exempt from Italian corporate income taxation,

Interest relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorized intermediary and, under certain conditions, has validly opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree No. 461 of November 21, 1997 (**Decree No. 461**) (see “*Capital gains tax*” below). In the event that the Noteholders described under paragraphs (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and the relevant Interest must be included in their relevant income tax return. As a consequence, the Interest will be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

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

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

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate *società di investimento a capitale fisso* (**SICAFs**) (together, the **Real Estate Funds**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (other than a real estate SICAF) or a SICAV ("*Società di investimento a capital variabile*") established in Italy (together, the **Funds**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax up to 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

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

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called **SIMs**), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy (**Intermediaries** and each an **Intermediary**) or by permanent establishments in Italy of a non-Italian resident Intermediary or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree No. 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, by the Issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

- (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or
- (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

- (iii) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or
- (iv) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest (certain types of institutional investors are deemed to be beneficial owners by operation of law) and must:

- (i) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and
- (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign central banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Noteholders who do not qualify for the exemption.

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

Tax treatment of Notes qualifying as atypical securities (*titoli atipici*)

Atypical securities are securities that do not fall within the category of (a) shares (*azioni*) and securities similar to shares (*titoli similari alle azioni*) and of (b) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

Payments relating to atypical securities are subject to 26 per cent. withholding tax.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Fund, (vii) a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005), or (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the 26 withholding tax, on Interest relating to the Notes qualifying as atypical securities if such Notes are included in a long-term individual savings account

(*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where the Noteholder is (a) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, or (b) an Italian resident corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In case of a non-Italian resident Noteholder without a permanent establishment in Italy to which the Notes are effectively connected, the above mentioned withholding tax rate may be reduced (generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, subject to timely filing of the required documentation.

Capital gains tax

Italian resident Noteholders

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

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, provided for by Decree No. 461, levied at the rate of 26 per cent. The Noteholders may set off any losses with their gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

- (a) under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the above mentioned Italian resident Noteholders holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Taxpayers must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (b) as an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to:
 - (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and

- (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholders or using funds provided by the Noteholders for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholders are not required to declare the capital gains in the annual tax return;

- (c) in the "*risparmio gestito*" regime, any capital gains realised by Italian Noteholders under (i) to (iii) above who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholders are not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Any capital gains realised by a Noteholder who is a Fund will neither be subject to *imposta sostitutiva* on capital gains, nor to any other income tax in the hands of the relevant Noteholders; the Collective Investment Fund Tax will be levied on proceeds distributed by the Fund or received by certain categories of unitholders or shareholders upon redemption or disposal of the units or shares.

Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains arising from the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Non-Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes traded on regulated markets are not subject to the *imposta sostitutiva*, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty. The exemption applies provided that the non-Italian resident Noteholders, in certain cases, file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Noteholder is not resident in Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected.

Capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets and held in Italy are not subject to the *imposta sostitutiva*, provided that the effective beneficiary (certain types of institutional investors are deemed to be beneficial owners by operation of law) is:

- (i) resident in a State included in the White List;
- (ii) an international entity or body set up in accordance with international agreements which have entered into force in Italy;
- (iii) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or
- (iv) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, Noteholders may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

Inheritance and gift taxes

Transfers of any valuable asset (including the Notes or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding, for each beneficiary, Euro 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding, for each beneficiary, Euro 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in paragraphs (i), (ii) and (iii) on the value exceeding, for each beneficiary, Euro 1,500,000.

The transfer of financial instruments (including the Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Transfer tax

Contracts relating to the transfer of securities are subject to a Euro 200.00 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in “case of use (*caso d’uso*), in case of “explicit reference” (*enunciazione*) or in case of voluntary registration (*registrazione volontaria*).

Stamp Duty

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 (**Decree No. 642**), as subsequently amended, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed Euro 14,000.00 if the Noteholder is not an individual.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods less than 12 months, the stamp duty is payable on a pro-rata basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client – regardless of the fiscal residence of the investor – (as defined in the regulations issued by the Bank of Italy as amended from time to time) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, converted with Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917 holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. (starting from 2024, the rate has been increased to 0.40 per cent in case the Notes are held in territories having a preferential tax regime as listed by Italian Ministerial Decree dated May 4, 1999). The wealth tax cannot exceed Euro 14,000.00 for taxpayers different from individuals. In this case the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does apply.

Tax Monitoring

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Notes) directly or indirectly held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a Euro 15,000 threshold throughout the year.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as **FATCA**, a “foreign financial institution” may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdiction. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are published generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under Condition 12 (Further Issues) of the Terms and Conditions for the Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT to be adopted in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal was very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (such amended and restated programme agreement, as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 21 June 2024, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions for the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed that it will not offer, sell or deliver the Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of the Notes and the closing date thereof (the **Resale Restriction Termination Date**), within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed that it will have sent to each dealer to which it sells any Notes prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from or in a transaction not subject to, the registration requirements under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise

make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

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

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer or distribution of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, (i) the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, (ii) the expression Prospectus Regulation means Regulation (EU) 2017/1129, as amended from time to time.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "*Prohibition of Sales to UK Retail Investors*" as "Not Applicable", each Dealer has represented

and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in paragraphs (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, (i) the expression “**an offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, (ii) the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

France

Each of the Dealers and the Issuer have represented and agreed that they undertake to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of this Base Prospectus or any other offering material relating to the Notes.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and/or Italian CONSOB regulations; or
- (ii) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation

No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Consolidated Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Switzerland

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (FinSA) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), each Dealer has represented and agreed that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer (consument/consommateur) within the meaning of Article I.1 of the Belgian Code of Economic Law (wetboek van economisch recht/code de droit économique), as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by the resolution of the Board of Directors of the Issuer dated 24 April 2024.

Listing and Admission to trading of Notes

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://sellagroup.eu/prestiti-obbligazionari> :

- a) the constitutional documents (with an English translation thereof) of Banca Sella Holding;
- b) a copy of this Base Prospectus and its documents incorporated by reference;
- c) the English translation of the audited consolidated financial statements for the financial year ended on 31 December 2022 of the Issuer;
- d) the English translation of the audited consolidated financial statements for the financial year ended on 31 December 2023 of the Issuer;
- e) press release "Sella, very positive results for 2023 as growth continues" published on 9 February 2024;
- f) press release "Sella, positive first quarter 2024 results" published on 10 May 2024;
- g) any future Base Prospectus, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

A copy of this Base Prospectus and its documents incorporated by reference will remain publicly available in electronic form for at least ten years after its publication on the websites referred to in paragraphs 2 and 6 of Article 21 of the Prospectus Regulation.

Clearing Systems

The Notes have been accepted for clearance by Monte Titoli. The Notes will be in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli Account Holders (including Euroclear and

Clearstream, Luxembourg). The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The appropriate Common Code and ISIN for each Series or Tranche of Notes will be specified in the form of Final Terms (or Pricing Supplement, in the case of Exempt Notes).

The registered office and principal place of business of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the form of Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Adverse Change

The current market environment is still characterized by uncertainties due to the Russia/Ukraine conflict, the Israel/Middle East conflict, the escalating Chinese–Taiwanese tension and related spill-over macroeconomic effects as discussed in “*Risks related to the political, environmental, social and governance environment of the Issuer and the Sella Group*” on page 29 of this Base Prospectus. Except for the possible impact of the Russia/Ukraine conflict and the Israel/Middle East conflict and related spill-over effect indicated above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements as at 31 December 2023.

There has been no significant change in the financial performance or position of the Group since 31 March 2024.

Litigation

Save as disclosed in this Base Prospectus at page 150, neither the Issuer nor any other member of the Sella Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Sella Group.

Independent auditors

On 23 April 2020, the Issuer’s shareholders meeting appointed KPMG S.p.A., independent registered public accounting firm as auditor for the financial years 2020–2028.

KPMG S.p.A., independent registered public accounting firm, authorized and regulated by the MEF and registered on the special register of auditing firms held by the MEF and a member of *Assirevi Associazione Italiana Revisori Contabili*, the Italian Auditors Association, has audited the Issuer’s

consolidated financial statements, without qualification, in accordance with IFRS, for the financial years ended on 31 December 2023 and 31 December 2022.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the relevant auditors who have authorised the contents of that part of this Base Prospectus.

Dealers transacting with the Issuer

Certain Dealers and/or their affiliates (including parent companies) may have engaged in various general financing and banking transactions with, and provided financial advisory and investment banking services to the Issuer and/or its affiliates and in each main Banca Sella Holding's shareholders in the past and may do so again in the future.

Moreover, part of the proceeds derived from issuances of Notes under the Programme might be used to repay previous loans granted to the Issuer by some of the Dealers and/or their affiliates.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade bank loans and 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, of its affiliates or of each main Banca Sella Holding's shareholders.

Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme.

Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph the term "affiliates" includes also the relevant parent companies of the Dealers.

Rating

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

ISSUER AND PAYING AGENT

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ARRANGER AND DEALER

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