



ICCREA Banca S.p.A.

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

Euro 10,000,000,000 Covered Bond (Obbligazioni Bancarie Garantite) Programme

unconditionally and irrevocably guaranteed as to payments of interest and principal by

Iccrea Covered Bond S.r.l.

(incorporated as a limited liability company under the laws of the Republic of Italy and registered at the Companies' Registry of Rome under registration number 15231571009)

Except where specified otherwise, capitalised words and expressions in this Base Prospectus have the meaning given to them in the section entitled "Glossary".

*Under this Euro 10,000,000,000 covered bond programme (the "**Programme**"), Iccrea Banca S.p.A. ("**Iccrea**" or the "**Issuer**") may from time to time issue covered bonds (obbligazioni bancarie garantite) (the "**Covered Bonds**") denominated in any currency agreed between the Issuer and the relevant Dealer(s). The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed Euro 10,000,000,000 (or its equivalent in other currencies calculated as described herein). Iccrea Covered Bond S.r.l. (the "**Guarantor**") has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee (the "**Covered Bond Guarantee**") which is collateralised by a pool of assets (the "**Cover Pool**") made up of a portfolio of mortgage loans assigned to the Guarantor by the Sellers and certain other assets held by the Guarantor, including funds generated by the portfolio and such assets. Recourse against the Guarantor under the Covered Bond Guarantee is limited to the Cover Pool.*

*This Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**"), which is the competent authority in the Grand Duchy of Luxembourg for the purposes of the Regulation (UE) 2017/1129 (the "**Prospectus Regulation**"), as a base prospectus issued in compliance with the Prospectus Regulation. By approving a prospectus, in accordance with Article 20 of the Prospectus Regulation and Article 6 (4) of the Luxembourg Law on Prospectuses for securities dated 16 July 2019, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the issuer.*

*The CSSF has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. In this context: (i) the approval of this Base Prospectus by the CSSF should not be considered as an endorsement of the Issuer and/or the Guarantor and/or the quality of the securities that are the subject of this Base Prospectus, and (ii) investors should make their own assessment as to the suitability of investing in the securities subject of this Base Prospectus. The requirement to publish a prospectus under the Prospectus Regulation only applies to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1.4 of the Prospectus Regulation.*

Application has been made for Covered Bonds issued under the Programme during the period of 12 months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and

admitted to trading on the regulated market which is a regulated market for the purposes of Directive 2014/65/EU.

Covered Bonds will be issued by the Issuer to raise funds for its general funding purposes or, if so specified in the applicable Final Terms document (the "**Final Terms**"), for financing or refinancing green, social or sustainable projects, as the case may be, in accordance with the principles set out by the International Capital Market Association ("**ICMA**") (respectively, the Green Bond Principles ("**GBP**"), the Social Bond Principles ("**SBP**") or the Sustainability Bond Guidelines ("**SBG**")).

The Covered Bonds will be issued in series (each, a "**Series**") and each Series may be issued in one or more tranches (each, a "**Tranche**"). The terms of each Series will be set forth in the relevant Final Terms prepared in relation thereto in accordance with the provisions of this Base Prospectus.

This Base Prospectus is valid for 12 months from its date of approval in relation to Covered Bonds which are to be admitted to trading on a regulated market in 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 Programme also permits Covered Bonds to be issued on the basis that (i) they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer or (ii) they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

An investment in Covered Bonds issued under the Programme involves certain risks. See the section entitled "Risk Factors" of this Base Prospectus for a discussion of certain risks and other factors to be considered in connection with an investment in the Covered Bonds.

The Covered Bonds will be issued in dematerialised form and will be held on behalf of their ultimate owners by Monte Titoli S.p.A. whose registered office is in Milan, at Piazza degli Affari, No.6, Italy ("**Monte Titoli**") for the account of the relevant Monte Titoli account holders. Monte Titoli will also act as depository for Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Bruxelles as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855, Luxembourg ("**Clearstream**"). The Covered Bonds issued in dematerialised form will at all times be held in book entry form and title to the Covered Bonds will be evidenced by book-entries in accordance with the provisions of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented (the "**Financial Law**") and implementing regulations and with the joint regulation of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form.

Interest amounts payable under the Covered Bonds may be calculated by reference to EURIBOR in each case as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute ("**EMMI**", as administrator of EURIBOR) is included in the European Securities and Markets Authority's ("**ESMA**") register of administrators and benchmarks established and maintained pursuant to article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**").

Each Series of Covered Bonds issued under the Programme, if rated, is expected to be assigned, unless otherwise stated in the applicable Final Terms, a rating as specified in the relevant Final Terms by any rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, to the extent that any rating agency at the relevant time provides

ratings in respect of any Series of Covered Bonds. Whether or not the credit rating applied for in relation to relevant Series of Covered Bonds will be (1) issued or endorsed by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies (as amended, the “**EU CRA Regulation**”) or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the United Kingdom (“**UK**”) and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. The credit ratings included or referred to in this Base Prospectus have been issued by Moody’s France SAS (“**Moody’s**”) which is established in the European Union and registered under the EU CRA Regulation as set out in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the website of the European Securities and Markets Authority on its website (“**ESMA**”) pursuant to the EU CRA Regulation (for more information please visit the ESMA webpage <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (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.

A credit 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. Please refer to the ESMA webpage <http://www.esma.europa.eu/page/List-registeredand-certified-CRAs> in order to consult the updated list of registered credit rating agencies.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.

Amounts payable on Covered Bonds may be calculated by reference to the Reference Rate specified in the relevant Final Terms.

Arrangers

BARCLAYS

ICCREA BANCA S.p.A.

Dealer

BARCLAYS

The date of this Base Prospectus is 15 July 2021

This Base Prospectus is valid until 15 July 2022

RESPONSIBILITY STATEMENTS

The Issuer accepts responsibility for the information contained in this Base Prospectus.

To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Guarantor accepts responsibility for the information included in this Base Prospectus in the section headed "*The Guarantor*" and any other information contained in this Base Prospectus relating to itself. To the best of the knowledge and belief of the Guarantor (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Sellers accepts responsibility for the information contained in this Base Prospectus in the sections entitled "*The Sellers*" and "*Description of the Cover Pool*". To the best of the knowledge of the Sellers (having taken all reasonable care to ensure that such is the case), the information contained in the sections entitled "*The Sellers*" and "*Description of the Cover Pool*" is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is a base prospectus for the purposes of Article 8.1 of the Prospectus Regulation and for the purposes of giving information which, according to the particular nature of the Covered Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the Guarantor and of the rights attaching to the Covered Bonds.

This Base Prospectus should be read and understood in conjunction with any supplement thereto and with any document incorporated herein by reference (see section "*Information incorporated by reference*"). Full information on the Issuer and any Series of Covered Bonds is only available on the basis of the combination of the Base Prospectus and the relevant Final Terms.

Capitalised terms used in this Base Prospectus shall have the meaning ascribed to them in the "Terms and Conditions of the Covered Bonds" below, unless otherwise defined in the single section of this Base Prospectus in which they are used.

The Issuer and, with respect to the information relating to itself only, the Guarantor, have confirmed to the Dealers (as defined herein) that this Base Prospectus contains all information with regard to the Issuer and the Covered Bonds which is material in the context of the Programme and the issue and offering of Covered Bonds thereunder; that the information contained herein is accurate in all material respects and is not misleading; that any opinions and intentions expressed by it herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer, the omission of which would make this Base Prospectus as a whole or any statement therein or opinions or intentions expressed therein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised by the Issuer or the Guarantor to give any information in relation to the Programme or the issue or sale of the Covered Bonds and, if given or made, such information must not be relied upon as having been authorised by the Issuer or the Guarantor or any of the Dealers or the Arrangers or any of their respective affiliates or advisers, or any party to the Transaction Documents (as defined in the Conditions).

This Base Prospectus is valid for twelve months following its date of approval and it and any supplement hereto as well as any Final Terms filed within these twelve months reflects the status as of any of their respective dates of issue. The offering, sale or delivery of any Covered Bonds may not be taken as an implication that the

information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of the Issuer and the *Gruppo Bancario Cooperativo Iccrea* or the Guarantor since such date or that any other information supplied in connection with the Programme is accurate as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has undertaken with the Dealers to supplement this Base Prospectus or publish a new Base Prospectus if and when the information herein should become materially inaccurate or incomplete and has further agreed with the Dealers to furnish a supplement to the Base Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Covered Bonds and which arises or is noted between the time when this Base Prospectus has been approved and the final closing of any Series or Tranche of Covered Bonds offered to the public or, as the case may be, when trading of any Series or Tranche of Covered Bonds on a regulated market begins, whichever occurs later, in respect of Covered Bonds issued on the basis of this Base Prospectus. In any case, the obligation to supplement this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus does not apply when this Base Prospectus is no longer valid.

Neither the Arrangers nor the Dealers nor any person mentioned in this Base Prospectus, with exception of the Issuer and the Guarantor, is responsible for the information contained in this Base Prospectus, any document incorporated herein by reference, or any supplement thereof, or any Final Terms or any document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

The information contained in this Base Prospectus was obtained from the Issuer and the other sources identified herein, and the Arrangers and the Dealers have not verified such information. None of the Dealers or the Arrangers, or any of their respective affiliates or advisers, make any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. None of the Dealers or the Arrangers shall be responsible for any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Covered Bonds or any Transaction Documents, or any other agreement or document relating to the Covered Bonds or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Base Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Covered Bonds.

Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in this Base Prospectus, including the merit and risks involved, and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertake to advise any investor or potential investor in Covered Bonds of any information coming to the attention of any of the Dealers or the Arrangers. None of the Dealers or the Arrangers undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements

contemplated by this Base Prospectus nor to advise any investor or potential investor in Covered Bonds of any information coming to the attention of any of the Dealers or the Arrangers.

The distribution of this Base Prospectus, any document incorporated herein by reference and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms come are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see section “*Subscription and Sale*” of this Base Prospectus. In particular, the Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons.

Neither this Base Prospectus, any supplement thereto, nor any Final Terms (or any part thereof) constitutes an offer, nor may they be used for the purpose of an offer to sell any of the Covered Bonds, or a solicitation of an offer to buy any of the Covered Bonds, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The language of the Base Prospectus is English. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

This Base Prospectus may only be used for the purpose for which it has been published.

This Base Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

In this Base Prospectus, references to “€” or “euro” or “Euro” are to the single currency introduced at the start of the Third Stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to “U.S.\$” or “U.S. Dollar” are to the currency of the United States of America; references to “£” or “UK Sterling” are to the currency of the United Kingdom; reference to “Japanese Yen” is to the currency of Japan; reference to “Swiss Franc” or “CHF” are to the currency of the Swiss Confederation; references to “Italy” are to the Republic of Italy; references to laws and regulations are, unless otherwise specified, to the laws and regulations of Italy; and references to “billions” are to thousands of millions.

Certain monetary amounts and currency conversions figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.

Each initial and subsequent purchaser of a Covered Bond will be deemed, by its acceptance of the purchase of such Covered Bond, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in this Base Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases.

The Arrangers are acting for the Issuer and no one or else in connection with the Programme and will not be responsible to any person other than the Issuer for providing the protection afforded to clients of the Arrangers or for providing advice in relation to the issue of the Covered Bonds.

In connection with the issue of any Series under the Programme, the Dealers which are specified in the relevant Final Terms as the stabilising manager (the “**Stabilising Manager**”) or any person acting for the Stabilising Manager may over-allot any such Series or effect transactions with a view to supporting the market price such Series at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this and there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series and 60 days after the date of the allotment of any such Series. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

PRIIPs/IMPORTANT – EEA RETAIL INVESTORS - Unless the Final Terms in respect of any Cover Bond specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Covered Bonds 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 2016/97/EU, 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. Consequently, no key information document required by Regulation No 1286/2014/EU, as amended (the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (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 Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

IMPORTANT – UK RETAIL INVESTORS – The Covered Bonds 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 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 (as amended, the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made

under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

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

MARKET INFORMATION AND STATISTICS

Unless otherwise indicated, information and statistics presented in this Base Prospectus regarding the market share of the Issuer are either derived from, or are based upon, the Issuer's analysis of data obtained from public sources. Although these sources are believed by the Issuer to be reliable, the Issuer has not independently verified such information, but the Issuer takes responsibility for the correct reproduction of such information.

FORWARD LOOKING STATEMENTS

This Base Prospectus may contain certain statements that are, or may be deemed to be, forward-looking, including statements with respect to the Issuer's and the Group's business strategies, expansion of operations, trends in their business and their competitive advantage, information on technological and regulatory changes and information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate", "aim", "intend", "plan", "continue" or similar expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

Any forward-looking statements are only made as of the date of this Base Prospectus, and the Issuer does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Base Prospectus. Many factors may cause the Issuer's or the Group's results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained in this Base Prospectus.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus contains references to certain Alternative Performance Measures ("APMs"), as defined in the guidelines issued on 5 October 2015 by ESMA concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016 which, although not recognised as financial measures under International Financial Reporting Standards ("IFRS"), are used by the management of the Issuer to monitor the Group's financial and operating performance. In particular:

- (i) **Direct lending portfolio:** the direct lending portfolio, as indicated under the first sub-paragraph of paragraph "*Developments in the Group's network of bank branches*" of the section entitled "*The Issuer*", is composed of current accounts and demand deposits, time deposits, securities issued and other payables.
- (ii) **Customer Loans:** the composition of the portfolio of the Group's loans to customers is indicated under the ninth sub-paragraph of paragraph "*De-risking and NPE reduction*" of the section entitled "*The Issuer*". In this respect, it should be noted that:
 - a. the aggregate value of the customers loans indicated thereof includes loans registered as amortised financial activities, net of exposures represented by securities;
 - b. *Gross NPL Ratio:* the measure is calculated as the ratio of gross impaired customer loans to the aggregate of gross customer loans, and provides a summary indication of the quality of NPL portfolio.

- c. *Net NPL Ratio*: the measure is calculated as the ratio of impaired customer loans net of the relevant accrued value adjustments (*rettifiche di valore*) to the overall net amount of customer loans, and provides a summary of the quality of the NPL portfolio.
- d. *NPLs coverage*: this indicator is calculated as the ratio of the total amount of accrued value adjustments (*rettifiche di valore*) on impaired customer loans to the amount of impaired customer loans gross of the relevant accrued value adjustments (*rettifiche di valore*), and provides a summary indication of the level of coverage of impaired customer loans.

CONTENTS

RESPONSIBILITY STATEMENTS	4
GENERAL DESCRIPTION OF THE PROGRAMME	12
RISK FACTORS	38
OVERVIEW OF THE PROGRAMME	73
INFORMATION INCORPORATED BY REFERENCE	74
TERMS AND CONDITIONS OF THE COVERED BONDS	77
FORM OF FINAL TERMS.....	136
USE OF PROCEEDS	150
THE ISSUER	152
THE GUARANTOR	198
THE SELLERS.....	200
THE ASSET MONITOR.....	212
OVERVIEW OF THE TRANSACTION DOCUMENTS	213
CREDIT STRUCTURE	228
CASHFLOWS.....	234
DESCRIPTION OF THE COVER POOL.....	238
DESCRIPTION OF CERTAIN RELEVANT LEGISLATION IN ITALY	242
TAXATION.....	249
SUBSCRIPTION AND SALE	258
GENERAL INFORMATION.....	263
GLOSSARY	267

GENERAL DESCRIPTION OF THE PROGRAMME

The following section contains a general description of the Programme for the purposes of the Article 25 of Commission Delegated Regulation (EU) 2019/980 and, as such, does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any Series or Tranche, the applicable Final Terms. Prospective purchasers of Covered Bonds should carefully read the information set out elsewhere in this Base Prospectus prior to making an investment decision in respect of the Covered Bonds. In this section, references to a numbered condition are to such condition in “Terms and Conditions of the Covered Bonds” below.

PARTIES

Issuer	Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo whose registered office is at Via Lucrezia Romana 41- 47– 00178 Rome, Italy (“ ICCREA Banca ”).
Guarantor	Iccrea Covered Bond S.r.l. a limited liability company incorporated under the laws of Italy, whose registered office is at Via Lucrezia Romana, 41-47 – 00178 Rome, Italy.
Quotaholders	<ul style="list-style-type: none">(i) Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo, owning a participation equal to 90% of the Guarantor quota capital; and(ii) Stichting Campari, a company incorporated under the laws of The Netherlands whose registered office is at Locatellikade 1, 1076AZ Amsterdam, The Netherlands, owning a participation equal to 10% of the Guarantor quota capital.
Sellers	Banca Patavina Credito Cooperativo di Sant’Elena e Piove di Sacco - Società Cooperativa, Credito Cooperativo Friuli (Abbreviato Credifriuli) – Società Cooperativa, Centromarca Banca - Credito Cooperativo di Treviso e Venezia, Società Cooperativa per Azioni, Banca Centro - Credito Cooperativo Toscana - Umbria Società Cooperativa, Emil Banca - Credito Cooperativo - Società Cooperativa, Banca di Credito Cooperativo di Staranzano e Villesse - Società Cooperativa, Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa and Banca di Credito Cooperativo di Milano - Società Cooperativa in their capacity as sellers under the Master Loans Purchase Agreement and the Additional Sellers, as from the date of the accession to the Master Loans Purchase Agreement (each a “ Seller ” and, jointly, the “ Sellers ”).
Additional Sellers	Any entity (other than the Sellers) belonging to the <i>Gruppo Bancario Cooperativo Iccrea</i> , including ICCREA Banca, which will sell Eligible Assets and Integration Assets to the Guarantor, subject to satisfaction of certain conditions, and that, for such purpose, shall enter into the Master Loans Purchase Agreement and the Warranty and Indemnity Agreement and accede to the other relevant Transaction Documents.
Arrangers	ICCREA Banca and Barclays Bank Ireland PLC, a public limited company incorporated under the laws of Ireland with registered number 396330 and having its registered office at One Molesworth Street, Dublin 2, Ireland, D02 RF29 (“ Barclays Bank ”)
Dealer(s)	Barclays Bank and any other dealer appointed from time to time in

accordance with the Programme Agreement, which appointment may be for a specific Series of Covered Bonds issued or on an ongoing basis.

Guarantor Agent	Calculation	Pursuant to the terms of the Cash Allocation Management and Payments Agreement, Banca Finanziaria Internazionale S.p.A., a bank incorporated under the laws of Italy as a “ <i>società per azioni</i> ”, with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies’ Register of Treviso-Belluno number 04040580963, VAT Group “Gruppo IVA FININT S.P.A.” - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the “ <i>Fondo Interbancario di Tutela dei Depositi</i> ” and of the “ <i>Fondo Nazionale di Garanzia</i> ” (“ Banca Finint ”)(or any other entity being appointed as such in the future), will act as Guarantor Calculation Agent.
Test Calculation Agent		Pursuant to the terms of the Cash Allocation Management and Payments Agreement, ICCREA Banca (or any other entity being appointed as such in the future) will act as Test Calculation Agent.
Principal Paying Agent		Pursuant to the terms of the Cash Allocation Management and Payments Agreement, BNP Paribas Securities Services, Milan Branch, a company incorporated under the laws of the Republic of France, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch, with offices at Piazza Lina Bo Bardi, 3 20124, Milan, Italy (or any other entity being appointed as such in the future) will act as Principal Paying Agent.
Master Servicer		Pursuant to the terms of the Master Servicing Agreement, ICCREA Banca will act as Master Servicer.
Servicers		Each Seller will act as Servicers under the Master Servicing Agreement.
Additional Servicers		Any entity (other than the Servicers) belonging to the Gruppo Bancario Cooperativo Iccrea, which will be appointed as servicer in respect of the Eligible Assets and Integration Assets sold by it to the Guarantor, and that, for such purpose, shall accede to the Master Servicing Agreement and the other relevant Transaction Documents.
Subordinated Providers	Loan	The Sellers and any Additional Seller that will be appointed as subordinated loan provider in accordance with the respective Subordinated Loan Agreement entered into with the Guarantor.
Representative of the Covered Bondholders	of the	Banca Finint, as Representative of the Covered Bondholders. The Representative of the Covered Bondholders will act as such pursuant to the Intercreditor Agreement, the Programme Agreement, the Conditions, the Mandate Agreement and the Deed of Charge.
Asset Monitor		Deloitte & Touche S.p.A. a company incorporated under the laws of the Republic of Italy whose registered office is at Milan, 20144, Via Tortona 25, will act as Asset Monitor pursuant to a mandate granted by the Issuer and the Asset Monitor Agreement.

Asset Swap Providers		Any counterparty of the Guarantor under any Asset Swap Agreement that may be entered into in the context of the Programme. “ Asset Swap Agreement ” means any swap or other hedging agreements, if any, aimed at hedging the interest rate risk and/or if applicable the currency risk related to each Portfolio, that may be entered into between the Guarantor and the relevant Asset Swap Provider on or about each Transfer Date.
Liability Swap Providers		Any counterparty of the Guarantor under any Liability Swap Agreement that may be entered into in the context of the Programme. “ Liability Swap Agreement ” means any swap or other hedging agreements, if any, aimed at hedging certain interest rate and/or, if applicable, currency exposures in relation to the Guarantor’s obligations under the Covered Bonds, that may be entered into between the Guarantor and the relevant Liability Swap Provider on or about each Issue Date.
Operating Bank		ICCREA Banca or any other person acting from time to time as Operating Bank pursuant to the Cash Allocation Management and Payments Agreement, at which the Transitory Collections Accounts, the Expenses Account and the Quota Capital Account will be held.
Account Bank		BNP Paribas Securities Services, Milan Branch will act as Account Bank pursuant to the Cash Allocation Management and Payments Agreement.
Guarantor Servicer	Corporate	Banca Finint, has been appointed as Guarantor Corporate Servicer pursuant to the Corporate Services Agreement.
Quotaholder Servicer	Corporate	Wilmington Trust SP Services (London) Limited, a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King’s Arms Yard, London EC2R 7AF, United Kingdom, has been appointed as Quotaholder Corporate Servicer pursuant to the Quotaholder Corporate Services Agreement (the “ Quotaholder Corporate Servicer ”).
Luxembourg Listing Agent		BNP Paribas Securities Services, Luxembourg Branch, whose registered offices is at avenue J.F. Kennedy, 60, L-2085 Luxembourg, has been appointed by the Issuer as Luxembourg Listing Agent.
Rating Agencies		Moody’s and/or any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme

THE PROGRAMME

Programme description	A covered bond issuance programme under which Covered Bonds (<i>Obbligazioni Bancarie Garantite</i>) will be issued by the Issuer to the Covered Bondholders.
Programme size	The aggregate nominal amount of the Covered Bonds at any time outstanding will not exceed Euro 10,000,000,000 (or its equivalent in other currencies to be calculated as described in the Programme

Agreement). The Issuer may however increase the aggregate nominal amount of the Programme in accordance with the Programme Agreement and in accordance with Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), by publishing a supplement to the Base Prospectus.

THE COVERED BONDS

Form of Covered Bonds

The Covered Bonds will be issued and will be held in dematerialised form.

The Covered Bonds issued 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. Each Series or Tranche will be deposited with Monte Titoli on the relevant Issue Date in accordance with Article 83-*bis* of the Financial Law, through the authorised institutions listed in Article 83-*quater* of the Financial Law. Monte Titoli shall act as depositary for Clearstream and Euroclear. The Covered Bonds will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with (i) the provisions of Article 83-*bis* et seq. of the Financial Law and the relevant implementing regulations and (ii) the regulation issued by the bank of Italy and the *Commissione Nazionale per le Società e per la Borsa* (“**CONSOB**”) on 13 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form.

The *Commission de Surveillance du Secteur Financier* (“**CSSF**”) has neither reviewed nor approved the information contained in this Base Prospectus in relation to any issuance of the Covered Bonds that are not to be publicly offered and not to be admitted to trading on the regulated market of any stock exchange in any Member State and for which a prospectus is not required in accordance with the Prospectus Regulation.

Denomination of Covered Bonds

In accordance with the Conditions, the Covered Bonds will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

The minimum denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be Euro 100,000 (or where the relevant Tranche is denominated in a currency other than Euro, the equivalent amount in such other currency).

Status and Ranking of the Covered Bonds

The Covered Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, guaranteed by the Guarantor and will rank *pari passu* without any preference among themselves, except in respect of maturities of each Series or Tranche, and (save for any applicable statutory provisions) at least equally with all other present and future unsecured, unsubordinated obligations of the Issuer having the same maturity of each Series or Tranche of the Covered Bonds, from time to time outstanding. In

the event of a winding-up, liquidation, dissolution or bankruptcy of the Issuer, any funds realised and payable to the Covered Bondholders will be collected by the Guarantor in accordance with Law 130.

Specified Currency	Subject to any applicable legal or regulatory or central bank restrictions, such currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Representative of the Covered Bondholders (as set out in the applicable Final Terms).	
Maturity Date	The maturity date for each Series or Tranche (the “ Maturity Date ”) will be specified in the relevant Final Terms, 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 Specified Currency. Unless previously redeemed as provided in Condition 9(d) (<i>Redemption at the option of the Issuer</i>) or Condition 9(f) (<i>Redemption at the option of Covered Bondholders</i>), and subject to any provision regarding the extension of maturity which may be included in the relevant Final Terms, the Covered Bonds of each Series or Tranche will be redeemed at their Outstanding Principal Amount on the relevant Maturity Date.	
Guarantor Date	Calculation	means 3 rd (third) calendar day of May, August, November and February (or, if such day is not a Business Day, then the immediately preceding Business Day).
Collection Period	means each quarterly period starting on the first day (included) of January, April, July and October and ending on the last day (included) of March, June, September and December.	
Guarantor Payment Date	means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 6th calendar day of May, August, November and February of each year or, if such day is not a Business Day, the immediately following Business Day; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Covered Bondholders in accordance with the Post Enforcement Priority of Payments, the relevant Final Terms and the Intercreditor Agreement; the first Guarantor Payment Date will fall on 8 November, 2021.	
Redemption of the Covered Bonds	The applicable Final Terms relating to each Series or Tranche of Covered Bonds will indicate either (a) that the Covered Bonds cannot be redeemed prior to their stated maturity (other than in specified cases, e.g. redemption by instalments if applicable, taxation reasons or if it becomes unlawful for any Covered Bond to remain outstanding or following a Guarantor Event of Default), or (b) that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Representative of the Covered Bondholders on behalf of the holders of the Covered Bonds (the “ Covered Bondholders ”) and in accordance with the provisions of the Conditions and of the relevant Final Terms, on a date or dates	

specified prior to such maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the Dealer(s) (as set out in the applicable Final Terms), or (c) that such Covered Bonds will be redeemable at the option of the Covered Bondholders, as provided in Condition 9(f) (*Redemption at the Option of Covered Bondholders*).

The Covered Bonds may be redeemable as specified in the relevant Final Terms and, in any case, the redemption amount shall be at least equal to par value. Covered Bonds may also be redeemable in two or more instalments and on such dates and in such manner as may be specified in the relevant Final Terms.

Early Redemption of the Covered Bonds

In certain circumstances indicated under the Conditions (including an early redemption (i) for tax reasons or illegality, or (ii) following a delivery by the Representative of the Covered Bondholders of a Guarantor Default Notice upon the Guarantor), the Covered Bonds may be early redeemed at their Early Redemption Amount.

“Early Redemption Amount” means, in respect of any Series or Tranche of Covered Bonds, the Outstanding Principal Amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

Redemption for taxation reasons

Payments in respect of the Covered Bonds to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by Italy, subject to the provisions of Condition 9(c) (*Redemption for tax reasons*).

In the event that any such withholding or deduction is to be made, the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Covered Bonds will be redeemable (in whole, but not in part) at the option of the Issuer.

The Guarantor will not be liable to pay any additional amount due to taxation reasons following an Issuer Event of Default (as defined below).

Redemption by instalments

If the Covered Bonds are specified in the relevant Final Terms as being amortising and redeemable in instalments they will be redeemed in such number of instalments, in such amounts and on such dates as may be specified in or determined in accordance with the relevant Final Terms and upon each partial redemption as provided by the Condition 9(m) (*Redemption by instalments*), the outstanding principal amount of each such Covered Bonds shall be reduced by the relevant instalment amount for all purposes.

Extended Maturity Date

Upon failure by the Issuer to pay the Final Redemption Amount of a Series of Covered Bonds on their relevant Maturity Date and if payment of the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of the Covered Bonds is not made in full by the Guarantor on or before the Extension Determination Date, then payment of such Guaranteed Amounts shall be automatically deferred. This will occur if the Final Terms for a relevant Series of Covered Bonds provide that such Covered Bonds are subject to an extended maturity date (the **“Extended Maturity Date”**) to which the payment of all or (as

applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on or before the Extension Determination Date.

To the extent that the Guarantor has received an Issuer Default Notice in sufficient time and has sufficient moneys available to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series of Covered Bonds, the Guarantor shall make partial payment of the relevant Final Redemption Amount in accordance with the Guarantee Priority of Payments and as described in the Conditions 9(b) (*Extension of maturity*) and 12(b) (*Effect of an Issuer Default Notice*) under the Conditions of the Covered Bonds. Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date may be paid by the Guarantor on any Interest Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 9(b) (*Extension of maturity*) and the Guarantor will pay Guaranteed Amounts, constituting interest due on each Interest Payment Date and on the Extended Maturity Date.

"Extension Determination Date" means, with respect to any Series of Covered Bonds, the date falling 7 (seven) Business Days after (and including) the Maturity Date of such Series of Covered Bonds.

Extended Instalment Date

If a Series of Covered Bonds is to be redeemed in instalments, the applicable Final Terms may indicate that the Guarantor's obligations under the Covered Bond Guarantee to pay a Covered Bond Instalment Amount and all subsequently payable Covered Bond Instalment Amounts may be deferred until the date set out under the relevant Final Terms. The deferral will occur automatically if the Issuer fails to pay a Covered Bond Instalment Amount on its Covered Bond Instalment Date and if the Guarantor does not pay such Covered Bond Instalment Amount (for example, because the Guarantor has insufficient funds) by the Covered Bond Instalment Extension Determination Date. Interest will continue to accrue and be payable on the unpaid amount up to the relevant Extended Instalment Date, which shall be the date falling set out under the relevant Final Term.

Each Covered Bond Instalment Amount may be deferred when falling due no more than once. At such time, each subsequent but not yet due Covered Bond Instalment Amount will also be deferred, so it is possible that a Covered Bond Instalment Amount may be deferred more than once but it may never be deferred to a date falling after the Maturity Date for the relevant Series.

Statutory Tests

The Programme provides that the assets of the Guarantor are subject to the statutory tests provided for under Article 3 of Decree 310 (the **"Statutory Tests"**), which are intended to ensure that the Guarantor can meet its obligations under the Covered Bond Guarantee. Accordingly, for so long as the Covered Bonds remain outstanding, the Sellers and the Issuer must always ensure that the

following tests are satisfied on each Test Calculation Date:

- (1) the Nominal Value Test;
- (2) the Net Present Value Test; and
- (3) the Interest Coverage Test.

Amortisation Test

Further to the Statutory Tests, the Amortisation Test is intended to ensure that if, following an Issuer Event of Default and service of an Issuer Default Notice on the Issuer and the Guarantor (but prior to service on the Guarantor of a Guarantor Default Notice), the assets of the Guarantor available are not sufficient to meet its obligations under the Covered Bond Guarantee, and fall to a level where Covered Bondholders may not be repaid, a Guarantor Event of Default will occur and all obligations owing under the Covered Bond Guarantee will be accelerated. Under the Cover Pool Management Agreement, the Guarantor must ensure that, on each Test Calculation Date following service of an Issuer Default Notice on the Issuer and the Guarantor but prior to a Guarantor Event of Default and service of a Guarantor Default Notice, the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the aggregate principal amount of the Covered Bonds as calculated on the relevant Test Calculation Date.

Asset Monitoring

The Issuer shall appoint the Asset Monitor in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities concerning, *inter alia*, (i) the compliance with the issuing criteria set out in Decree 310 in respect of the issuance of Covered Bonds; (ii) the fulfilment of the eligibility criteria set out under Decree 310 with respect to the Eligible Assets and Integration Assets included in the Cover Pool; (iii) the compliance with the limits on the transfer of the Eligible Assets and Integration Assets set out under Decree 310; (iv) the compliance with the limits set out in Decree 310 with respect to Covered Bonds issued and the Eligible Assets and Integration Assets included in the Portfolios as determined in the Statutory Tests and the Amortisation Test; (v) the effectiveness and adequacy of the risk protection provided by the Asset Swap Agreement that may be entered into in the context of the Programme, (vi) the arithmetical accuracy of the calculations performed by the Test Calculation Agent in respect of the Statutory Tests and/or the Amortisation Test, and (vii) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of the European Union of 26 June 2013. Furthermore, under the terms of the Asset Monitor Agreement to be entered between the Issuer, the Calculation Agent, the Asset Monitor, the Test Calculation Agent, the Guarantor and the Representative of the Covered Bondholders, the Asset Monitor has agreed with the Issuer and, upon delivery of an Issuer Default Notice, with the Guarantor, to verify, subject to due receipt of the information to be provided by the Test Calculation Agent to the Asset Monitor, the arithmetic accuracy of the calculations

performed by the Test Calculation Agent under the Statutory Tests and the Amortisation Test carried out pursuant to the Cover Pool Management Agreement, with a view to confirming whether such calculations are accurate.

Issue Price

Covered Bonds may be issued at par or at a premium or discount to par.

Interest on the Covered Bonds

Covered Bonds may be interest-bearing or non-interest-bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. Covered Bonds may also have a maximum rate of interest, a minimum rate of interest or both (as indicated in the applicable Final Terms). Interest on Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, in each case as may be agreed between the Issuer and the relevant Dealer(s).

Types of Covered Bonds

The Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Amortising Covered Bonds, Step-Up Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The Covered Bonds may be repayable in one or more instalments, depending on the Redemption/Payment Basis shown in the applicable Final Terms. Each Series shall be comprised of Fixed Rate Covered Bonds only or Floating Rate Covered Bonds only or Zero Coupon Covered Bonds only or such other Covered Bonds accruing interest on such other basis and at such other rate as may be so specified in the relevant Final Terms only.

Fixed Rate Covered Bonds: Covered Bonds will bear interest at a fixed rate, which will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) 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(s) (as set out in the applicable Final Terms).

Floating Rate Covered Bonds: Covered Bonds will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s),

in each case, as set out in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Covered Bonds, as set out in the applicable Final

Terms.

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

Amortising Covered Bonds: Covered Bonds may be issued with a predefined, prescheduled amortisation schedule where, in addition to interest, the Issuer will pay, on each relevant Interest Payment Date, a portion of principal up to the relevant Maturity Date (as set out in the applicable Final Terms) in instalments.

Step-Up Covered Bonds: Fixed Rate Covered Bonds and Floating Rate Covered Bonds issued by the Issuer may be subject to a Step-Up Option if the applicable Final Terms indicates that the Step-Up Option is applicable. The Rate of Interest for Step-Up Covered Bonds will be the Initial Rate of Interest specified in the applicable Final Terms, provided that for any Interest Period commencing on or after the Interest Payment Date immediately following a Step-Up Event, if any, the Rate of Interest shall be increased by the Step-Up Margin specified in the applicable Final Terms. For the avoidance of doubt, an increase in the Rate of Interest may occur no more than once in respect of the relevant Step-Up Covered Bond.

Taxation

All payments in relation to Covered Bonds will be made without tax deduction except where required by law. If any tax deduction is made, the Issuer shall be required to pay additional amounts in respect of the amounts so deducted or withheld, subject to a number of exceptions including deductions on account of Italian substitute tax pursuant to Decree 239. Under the Covered Bond Guarantee, the Guarantor will not be liable to pay any such additional amounts.

Payments by the Guarantor of additional amounts, as a consequence of tax deduction or withholding, will be limited recourse and paid in accordance with the Priorities of Payments to the extent the Guarantor has Guarantor Available Funds.

Recourse

In accordance with the legal framework established by Decree 310 and pursuant to the Transaction Documents, the Covered Bondholders will benefit from full recourse on the Issuer and limited recourse on the Guarantor. The obligations of the Guarantor under the Covered Bond Guarantee shall be limited recourse to the Guarantor Available Funds.

Cross Acceleration

Each Series of Covered Bonds will cross-accelerate as against each other but will not otherwise contain a cross default provision. Accordingly, neither an event of default in respect of any other indebtedness of the Issuer (including other debt securities of the Issuer) nor acceleration of such indebtedness will of itself give rise to an Issuer Event of Default. In addition, an Issuer Event of Default will not automatically give rise to a Guarantor Event of Default, provided however that, where a Guarantor Event of Default occurs, and the Representative of the Covered Bondholders serves a Guarantor Default Notice upon the Guarantor, such Guarantor Default Notice will accelerate each Series of outstanding Covered Bonds issued under the Programme.

Listing and admission to trading

Application shall be made for the approval of the Base Prospectus by the CSSF as a base prospectus issued in compliance with the Prospectus Regulation. Application will be made for Covered Bonds issued under the Programme to be admitted to trading on the regulated market or on the Professional Segment of the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

Covered Bonds 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 Dealer(s) in relation to the Series or Tranche. Covered Bonds which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets. The CSSF has neither reviewed nor approved the information contained in this Base Prospectus in relation to any issuance of the Covered Bonds that are not to be publicly offered and not to be admitted to trading on the regulated market of any Stock Exchange in any Member State and for which a prospectus is not required in accordance with the Prospectus Regulation.

Rating

Each Series of Covered Bonds issued under the Programme may be assigned a rating by the Rating Agencies or may be unrated as specified in the relevant Final Terms.

Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes unless (1) such rating is issued 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 but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under Regulation (EC) No. 1060/2009, as amended (the “**EU CRA Regulation**”).

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”) unless (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.

A credit rating, if provided, is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency.

Settlement

Monte Titoli/Euroclear/Clearstream and, in relation to any Series of Covered Bonds, such other clearing system as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Final Terms).

Governing Law

The Covered Bonds and any non-contractual obligations arising out of, or in connection thereof, will be governed by Italian law or by any other law as set out in the relevant Final Terms. The Transaction Documents and any non-contractual obligations arising out of, or in connection, thereof will be governed by Italian law, except for the Swap Agreements, if any, and the Deed of Charge, which will be governed by English law.

Provisions of Transaction Documents

The Covered Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Transaction Documents applicable to them. In particular, each Covered Bondholder, by reason of holding Covered Bonds, recognises the Representative of the Covered Bondholders as its legal representative and accepts to be bound by the terms of each of the Transaction Documents signed by the Representative of the Covered Bondholders as if such Covered Bondholder was a signatory thereto.

THE GUARANTOR AND THE COVERED BOND GUARANTEE

Covered Bond Guarantee

Payments of Guaranteed Amounts in respect of the Covered Bonds when due for payment will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor to make payments in respect of such Guaranteed Amounts when due for payment are subject to the conditions that an Issuer Event of Default has occurred, and an Issuer Default Notice has been served on the Issuer and on the Guarantor or, if earlier, a Guarantor Event of Default has occurred, and a Guarantor Default Notice has been served on the Guarantor.

The obligations of the Guarantor will accelerate once the Guarantor Default Notice mentioned above has been delivered to the Guarantor. The obligations of the Guarantor under the Covered Bond Guarantee constitute direct, unconditional and unsubordinated obligations of the Guarantor collateralised by the Cover Pool and recourse against the Guarantor is limited to such assets.

Suspension of Payments

If a resolution pursuant to article 74 of the Consolidated Banking Act is passed in respect of the Issuer (the “**Article 74 Event**”), the Guarantor, in accordance with Decree 310, shall be responsible for the payments of the Guaranteed Amounts due and payable within the entire period in which the suspension continues (the “**Suspension Period**”).

Following an Article 74 Event:

- (i) the Representative of the Covered Bondholders will serve an Issuer Default Notice on the Issuer and the Guarantor, specifying that an Article 74 Event has occurred and that such event may be temporary; and
- (ii) in accordance with Decree 310, the Guarantor shall be responsible for payment of the amounts due and payable under the Covered Bonds during the Suspension Period at their relevant due dates, *provided that* it shall be entitled to claim any such amounts from the Issuer.

The Suspension Period shall end upon delivery by the Representative of the Covered Bondholders of a notice to the Issuer, the Guarantor and the Asset Monitor (the “**Article 74 Event Cure Notice**”), informing such parties that the Article 74 Event has been revoked.

Upon the termination of the Suspension Period the Issuer shall again be responsible for meeting the payment obligations under the Covered Bonds.

Issuer Events of Default

If any of the following events (each, an “**Issuer Event of Default**”) occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and payable on any Series of Covered Bonds at their relevant Interest Payment Date and/or at the Final Maturity Date, and such breach is not remedied within the next 15 Business Days, in case of amounts of interest, or 20 Business Days (other than in case of non-payment at the Maturity Date), in case of amounts of principal, as the case may be; or
- (b) *Breach of other obligations*: a material breach by the Issuer of any obligation under the Transaction Documents (other than any obligation pursuant to paragraph (a) (*Non-payment*) above or (f) (*Breach of Statutory Tests*) below) occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Article 74 Event*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or
- (e) *Cessation of business*: the Issuer ceases to carry on its primary business (because of the loss of its banking licence or otherwise); or
- (f) *Breach of Statutory Tests*: any Statutory Test is breached and is not remedied by the end of the relevant Test Grace Period,

then the Representative of the Covered Bondholders shall or, in case of Issuer Event of Default referred to under paragraph (c) (*Insolvency*) above, may if so directed by the Covered Bondholders, serve a notice on the Issuer and the Guarantor (an “**Issuer Default**”

Notice”), demanding payment under the Covered Bond Guarantee, and specifying, in case of the Issuer Event of Default referred to under paragraph (d) (*Article 74 Event*) above, that the Issuer Event of Default may be temporary.

“Insolvency Event” means, in respect of any company, entity, or corporation that:

- (i) such company, entity or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganization (including, without limitation, “*fallimento*”, “*liquidazione coatta amministrativa*”, “*concordato preventivo*”, “*accordi di ristrutturazione*” and (other than in respect of the Issuer) “*amministrazione straordinaria*”, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (iii) such company, entity or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or
- (iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to

such company, entity or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganization or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders); or

- (v) such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

Upon service of an Issuer Default Notice upon the Issuer and the Guarantor:

- (i) all Series of Covered Bonds will accelerate against the Issuer and will rank *pari passu* amongst themselves against the Issuer, provided that (A) such event shall not trigger an acceleration against the Guarantor, and (B) in accordance with article 4, paragraph 3, of Decree 310 and pursuant to the relevant provisions of the Transaction Documents, the Guarantor shall be solely responsible for the exercise of the rights of the Covered Bondholders vis-à-vis the Issuer and any Excess Proceeds will be part of the Guarantor Available Funds;
- (ii) (A) interest and principal falling due on the Covered Bonds will be payable by the Guarantor at the time and in the manner provided under the Conditions and the relevant Final Terms, subject to and in accordance with the terms of the Covered Bond Guarantee and the Guarantee Priority of Payments; and (B) the Guarantor (or the Representative of the Covered Bondholders pursuant to the Intercreditor Agreement) shall be entitled to request from the Issuer an amount up to the Guaranteed Amounts and any sum so received or recovered from the Issuer will be used to make payments in accordance with the Covered Bond Guarantee;
- (iii) if (I) the right of the Guarantor under paragraph (ii)(B) above is in any way challenged or revoked and (II) a Programme Resolution of the Covered Bondholders has been passed to this effect, the Covered Bonds will become immediately due and payable by the Issuer, at their Early Termination Amount together with accrued interest thereon and the Guarantor will no longer be entitled to request from the Issuer the amount set out under paragraph (ii)(B) above;
- (iv) the Guarantor may sell the Selected Assets comprised in the Cover Pool in accordance with the Cover Pool Management Agreement;
- (v) the Statutory Tests shall continue to apply, and the Amortisation Test shall also apply;
- (vi) no further Series or Tranches of Covered Bonds may be issued by the Issuer under the Programme,

provided that, in case of the Issuer Event of Default referred to under paragraph (d) (*Article 74 Event*) above, the effects listed in

items (i) to (iv) above will only apply for as long as the suspension of payments pursuant to article 74 of the Consolidated Banking Act will be in force and effect (the “**Suspension Period**”). Accordingly (i) the Guarantor, in accordance with Decree 310, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the Suspension Period, and (ii) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the Covered Bonds.

Guarantor Default **Events of** If any of the following events (each, a “**Guarantor Event of Default**”) occurs and is continuing:

- (a) *Non-payment*: following the service of an Issuer Default Notice, the Guarantor fails to pay any interest and/or principal due and payable under the Covered Bond Guarantee on the relevant Interest Payment Date and/or at the Extended Maturity Date and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of amounts of principal, as the case may be; or
- (b) *Breach of other obligations*: a material breach by the Guarantor of any obligation under the Transaction Documents (other than any obligation pursuant to paragraph (a) (*Non-payment*) above occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor (except where, in the opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required); or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Guarantor; or
- (d) *Breach of the Amortisation Test*: following the service of an Issuer Event of Default Notice (provided that, in case the Issuer Event of Default consists of an Article 74 Event, the Representative of the Covered Bondholders has not delivered an Article 74 Event Cure Notice) the Amortisation Test is breached and is not remedied by the end of the Test Grace Period;
- (e) *Invalidity of the Covered Bond Guarantee*: the Covered Bond Guarantee is not in full force and effect or it is claimed by the Guarantor not to be in full force and effect,

then the Representative of the Covered Bondholders shall or, in the case of the Guarantor Event of Default under paragraphs (b) (*Breach of other obligations*) and (c) (*Insolvency*) above shall, if so directed by a Programme Resolution, serve a notice on the Guarantor (a “**Guarantor Default Notice**”), stating that a Guarantor Event of Default has occurred.

Upon service of a Guarantor Default Notice on the Guarantor:

- (a) all the Covered Bonds shall become immediately due and payable at their Early Termination Amount together with

any accrued interest and will rank *pari passu* among themselves in accordance with the Post-Enforcement Priority of Payments;

- (b) subject to and in accordance with the terms of the Covered Bond Guarantee, the Representative of the Covered Bondholders, on behalf of the Covered Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Termination Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 11(a) (*Gross up by Issuer*)) in accordance with the Post-Enforcement Priority of Payments;
- (c) the Guarantor, if not already sold, shall procure the sale of certain Eligible Assets and Integration Assets comprised in the Cover Pool in accordance with the Cover Pool Management Agreement; and
- (d) the Representative of the Covered Bondholders may, at its discretion and without further notice subject to having been indemnified and/or secured to its satisfaction, take such steps and/or institute such proceedings against the Issuer or the Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by a Programme Resolution of the Covered Bondholders.

Priority of Payments

Until an Issuer Default Notice is served on the Issuer and the Guarantor, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor.

This section summarizes the cashflows of the Guarantor only, as to the allocation and distribution of amounts standing to the credit of the Accounts and their order of priority (all such orders of priority, the “**Priority of Payments**”) (a) prior to an Issuer Event of Default and a Guarantor Event of Default, (b) following an Issuer Event of Default (but prior to a Guarantor Event of Default) and (c) following a Guarantor Event of Default.

Interest Available Funds

Means, in respect of any Guarantor Calculation Date, the aggregate of:

- (a) interest collected by the Master Servicer or the Servicers in respect of the Cover Pool and credited into the Collection Account, during the immediately preceding Collection Period;
- (b) all recoveries in the nature of interest received by the Master Servicer or the Servicers and credited to the Collection Account, during the immediately preceding Collection Period;
- (c) all amounts of interest accrued (net of any withholding or

expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;

- (d) any payment received on or immediately prior to such Guarantor Payment Date from any Swap Provider, if any, other than any Swap Collateral Excluded Amounts;
- (e) all interest amounts received from any Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (f) the Cash Reserve Amount standing to the credit of the Cash Reserve Account;
- (g) all amounts on account of interest, premium or other profit deriving from the Eligible Investments up to the Eligible Investments Maturity Date immediately preceding the relevant Guarantor Payment Date; and
- (h) any amount (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Transaction Documents.

Principal Available Funds Means, in respect of any Guarantor Calculation Date, the aggregate of:

- (a) all principal amounts collected by the Master Servicer or any Servicer in respect of the Cover Pool and credited to the Collection Account net of the amounts applied to purchase Eligible Assets and Integration Assets, during the immediately preceding Collection Period;
- (b) all other recoveries in the nature of principal received by the Master Servicer or any Servicer and credited to the Collection Account;
- (c) all principal amounts received from each Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (d) the proceeds of any disposal of Eligible Assets or Integration Assets;
- (e) any swap principal payable under the Swap Agreements, if any; and
- (f) all the amounts allocated pursuant to item *Sixth* of the Pre-Issuer Event of Default Interest Priority of Payments.

Pre-Issuer Event of Default Interest Priority of Payments Prior to service of an Issuer Default Notice on the Guarantor and the Issuer or service of a Guarantor Default Notice on the Guarantor, Interest Available Funds will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the “**Pre-Issuer Event of Default Interest Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) *First*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses of the Guarantor to the extent that such Expenses are not met by utilising the amount standing to the credit of the Expenses Account and

to credit the amount necessary to replenish the Expenses Account up to the Retention Amount;

- (ii) *Second*, to pay any amount due and payable to the Representative of the Covered Bondholders;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Servicers, the Account Bank, the Operating Bank, the Guarantor Calculation Agent, the Test Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor, the Swap Collateral Account Bank (if any), the Principal Paying Agent, the Quotaholder Corporate Servicer and the Back-Up Servicer (if appointed);
- (iv) *Fourth*, to pay any amount due and payable to any Swap Provider, if any (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party) other than any principal amount under any relevant Liability Swap Agreement (if any);
- (v) *Fifth*, to transfer to the Cash Reserve Account the Cash Reserve Amount;
- (vi) *Sixth*, to allocate to the Principal Available Funds an amount equal to the amounts, if any, allocated on the immediately preceding Guarantor Payment Date and on any preceding Guarantor Payment Date pursuant to item (i) of the Pre-Issuer Event of Default Principal Priority of Payments, net of any amount already allocated under this item (vi) on any previous Guarantor Payment Date;
- (vii) *Seventh*, to pay the Base Interest due to the Subordinated Loan Providers under the relevant Subordinated Loans;
- (viii) *Eighth*, to pay any termination payments due and payable by the Guarantor to any Swap Provider (if any) not paid under item (iv) (*Fourth*) above; and
- (ix) *Ninth*, to pay any Premium due to the Subordinated Loan Providers under the relevant Subordinated Loans.

"Expenses" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Covered Bondholders and the Other Creditors) arising in connection with the Programme, and required to be paid (as determined in accordance with the Corporate Services Agreement) in order to preserve the existence of the Guarantor or to comply with applicable laws and legislation.

Pre-Issuer Event of Default Principal Priority of Payments

Prior to service of an Issuer Default Notice on the Issuer and the Guarantor or service of a Guarantor Default Notice on the Guarantor, all Principal Available Funds will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the **"Pre-Issuer Event of Default Principal Priority of Payments"**):

- (i) *First*, to pay any amount due and payable under items (i) (*First*) to (iv) (*Fourth*) of the Pre-Issuer Event of Default

Interest Priority of Payments to the extent that the Interest Available Funds are not sufficient to make the payments in full on such Guarantor Payment Date;

- (ii) *Second*, to transfer any amount to the Cash Reserve Account necessary in order to make up any shortfall in the Cash Reserve Amount;
- (iii) *Third*, to pay any amount due to any Liability Swap Provider (if any) in respect of principal under any relevant Liability Swap Agreement (including any termination payments due and payable by the Guarantor except where the relevant Liability Swap Provider is the Defaulting Party or the Sole Affected Party);
- (iv) *Fourth*, to acquire a New Portfolio and/or Integration Assets and/or Eligible Assets (other than those funded through the proceeds of a Subordinated Loan) in compliance with the Statutory Tests;
- (v) *Fifth*, to pay any payments due and payable by the Guarantor to any Liability Swap Provider in respect of principal under any relevant Liability Swap Agreement and not paid under item (iii) (*Third*) above provided that the Statutory Tests are met;
- (vi) *Sixth*, to repay the Subordinated Loans advanced by the Subordinated Loan Providers under the relevant Subordinated Loan Agreements in accordance with the terms of the Subordinated Loan Agreements; and
- (vii) *Seventh*, to the extent that any Subordinated Loan Provider has not received amounts as repayment of the Subordinated Loans under item (vi) (*Sixth*) above, to deposit the relevant amounts in the Collection Account.

Guarantee Priority of Payments **of** On each Guarantor Payment Date after the service of an Issuer Default Notice on the Issuer and the Guarantor (but prior to the service of a Guarantor Default Notice), the Guarantor Available Funds shall be applied on each Guarantor Payment Date at the direction of the Guarantor in making the following payments or provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) *First*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses of the Guarantor owed to third parties to the extent that such Expenses are not met by utilising the amount standing to the credit of the Expenses Account and to credit the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (ii) *Second*, to pay any amount due and payable to the Representative of the Covered Bondholders;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Servicers, the Account Bank, the Operating Bank, the Guarantor Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor, the Swap

Collateral Account Bank (if any), the Principal Paying Agent, the Quotaholder Corporate Servicer, the Test Calculation Agent and the Back-Up Servicer (if appointed);

- (iv) *Fourth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount, other than in respect of principal, due and payable on such Guarantor Payment Date or during the period commencing on (and including) such Guarantor Payment Date and ending on (but excluding) the immediately following Guarantor Payment Date (the “**Guarantor Payment Period**”) (i) to any Swap Provider (if any) (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) on the Covered Bonds;
- (v) *Fifth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount in respect of principal due and payable on such Guarantor Payment Date or during the immediately following Guarantor Payment Period (i) to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) on the Covered Bonds in accordance with the Conditions;
- (vi) *Sixth*, to deposit in the Cash Reserve Account any cash balances until the Covered Bonds have been repaid in full or sufficient amounts have been accumulated to pay outstanding Covered Bonds;
- (vii) *Seventh*, to pay any termination payments due and payable by the Guarantor to the Swap Providers (if any) not paid under item (iv) (*Fourth*) or (v) (*Fifth*) above;
- (viii) *Eighth*, to pay to the Sellers any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items above;
- (ix) *Ninth*, to pay any Base Interest due to the Subordinated Loan Providers under the relevant Subordinated Loans;
- (x) *Tenth*, to pay any principal due and payable to the Subordinated Loan Providers under the relevant Subordinated Loans; and
- (xi) *Eleventh*, to pay any Premium due to Subordinated Loan Providers under the relevant Subordinated Loans.

Guarantor Funds

Available

Prior to service of an Issuer Default Notice on the Issuer and the Guarantor under the Covered Bond Guarantee the Guarantor will:

- apply Interest Available Funds to pay interest due on the Subordinated Loans, but only after payment of certain items ranking higher in the Pre-Issuer Event of Default Interest Priority of Payments (including, but not limited to, the Cash Reserve Amount to be credited to the Cash Reserve Account); and

- apply Principal Available Funds towards (subject to compliance with the Tests) repaying Subordinated Loans but only after payment of certain items ranking higher in the relevant Pre-Issuer Event of Default Principal Priority of Payments.

Following service on the Issuer and the Guarantor of an Issuer Default Notice (but prior to a Guarantor Event of Default and service of a Guarantor Default Notice on the Guarantor) the Guarantor will use all monies to pay Guaranteed Amounts in respect of the Covered Bonds and payments to the Other Creditors when due for payment subject to paying certain higher ranking obligations of the Guarantor in the Guarantee Priority of Payments. In such circumstances, the Sellers will only be entitled to receive payment from the Guarantor of interest and repayment of principal under the Subordinated Loans after all amounts due under the Covered Bond Guarantee in respect of the Covered Bonds and the Other Creditors have been paid in full (or sufficient funds have been set aside for such purpose).

Following the occurrence of a Guarantor Event of Default and service of a Guarantor Default Notice on the Guarantor, the Covered Bonds will become immediately due and repayable and Covered Bondholders will then have a claim against the Guarantor under the Covered Bond Guarantee for an amount equal to the Early Termination Amount in respect of each Covered Bond, together with accrued interest and any other amounts due under the Covered Bonds, and Guarantor Available Funds will be distributed according to the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments

Following the occurrence of a Guarantor Event of Default and service of a Guarantor Default Notice on the Guarantor, the Guarantor Available Funds will be applied in the following order of priority (the “**Post-Enforcement Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) *First*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses of the Guarantor owed to third parties to the extent that such Expenses are not met by utilising the amount standing to the credit of the Expenses Account and to credit the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (ii) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Representative of the Covered Bondholders and the remuneration due to any Receiver and any proper costs and expenses incurred by it;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Servicers, the Account Bank, the Operating Bank, the Guarantor Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor, the Swap Collateral Account Bank (if any), the Principal Paying Agent, the Quotaholder Corporate Servicer, the Test Calculation

Agent and the Back-Up Servicer (if appointed);

- (iv) *Fourth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) any amount due and payable to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) any interest and any Outstanding Principal Amount due under all outstanding Series of Covered Bonds;
- (v) *Fifth*, to pay any termination payments due and payable by the Guarantor to any Swap Provider (if any) not paid under item Fourth above;
- (vi) *Sixth*, to pay to the Sellers any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items above;
- (vii) *Seventh*, to pay any Base Interest due to Subordinated Loan Providers under the relevant Subordinated Loans;
- (viii) *Eighth*, to pay any principal due and payable to the Subordinated Loan Providers under the relevant Subordinated Loans; and
- (ix) *Ninth*, to pay any Premium due to the Subordinated Loan Providers under the relevant Subordinated Loans.

Cover Pool

The Covered Bond Guarantee will be collateralised by the Cover Pool constituted by (i) the Portfolio comprised of Mortgage Loans and related collateral assigned to the Guarantor by the Sellers in accordance with the terms of the Master Loans Purchase Agreement and (ii) any other Eligible Assets and Integration Assets held by the Guarantor with respect to the Covered Bonds and the proceeds thereof which will, *inter alia*, comprise the funds generated by the Portfolio, the other Eligible Assets and the Integration Assets including, without limitation, funds generated by the sale of assets from the Cover Pool and funds paid in the context of a liquidation of the Issuer.

Limited recourse

The obligations owed by the Guarantor to the Covered Bondholders and, in general, to each of the Sellers and the Other Creditors are limited recourse obligations of the Guarantor, which will be paid in accordance with the applicable Priority of Payments. The Covered Bondholders, the Sellers and the Other Creditors will have a claim against the Guarantor only to the extent of the Guarantor Available Funds, including any amounts realised with respect to the Cover Pool, in each case subject to and as provided in the Covered Bond Guarantee and the other Transaction Documents.

Subordinated Loans

Pursuant to the Subordinated Loan Agreements, each Subordinated Loan Provider will, from time to time, advance to the Guarantor a Subordinated Loan for the purposes of funding the purchase from the relevant Seller of the Eligible Assets included in the Cover Pool and, subsequently, the purchase from the relevant Seller of Eligible Assets and Integration Assets in order to, *inter alia*, remedy a

breach of the Tests.

The Guarantor will pay interest in respect of each Subordinated Loan but will have no liability to gross up for withholding. Payments from the Guarantor to the Sellers under the Subordinated Loans will be limited recourse and subordinated and paid in accordance with the Priorities of Payments to the extent the Guarantor has available funds.

On each Guarantor Payment Date the Guarantor may pay to the Subordinated Loan Provider, as a partial repayment of the relevant Subordinated Loan, the relevant Amortisation Amount as indicated by the Issuer for each Subordinated Loan Provider in the redemption request, duly signed by the Subordinated Loan Provider and by the Issuer, to be sent to the Guarantor at least 5 (five) Business Days before the relevant Guarantor Payment Date provided that such payment does not result in a breach of any of the Test.

**Excess Assets and support
for further issues**

To support the issue of further Series of Covered Bonds, (i) Excess Assets may be retained in the Portfolio or (ii) Eligible Assets may be acquired from one or more Sellers with the proceeds of the relevant Subordinated Loan Agreements entered into by such Sellers, in order to ensure that the Cover Pool both before and after the issue of the new Series of Covered Bonds complies with the Statutory Tests.

"**Excess Assets**" means, in relation to the Cover Pool and on each Guarantor Calculation Date, those Receivables and, if transferred to the Guarantor, Public Entity Securities the aggregate Outstanding Principal of which is equal to: (i) any amount by reason of which the Portfolios comprised in the Cover Pool are in excess (as nominal value, interest coverage and net present value) of any Eligible Assets necessary to satisfy the Statutory Tests on the relevant Guarantor Calculation Date; minus (ii) the aggregate Outstanding Principal of those Receivables and, if transferred to the Guarantor, Public Entity Securities indicated by the Test Calculation Agent as Affected Assets pursuant to the provisions of clause 10 (*Payment of Indemnity*) of the Warranty and Indemnity Agreement.

**Segregation of Guarantor's
rights and collateral**

The Covered Bonds benefit from the provisions of article 7-bis of Law 130, pursuant to which the Cover Pool is segregated by operation of law from the Guarantor's other assets.

In accordance with article 7-bis of Law 130, prior to and following a winding-up of the Guarantor and an Issuer Event of Default or Guarantor Event of Default causing the Covered Bond Guarantee to be called, proceeds of the Cover Pool paid to the Guarantor will be exclusively available for the purpose of satisfying the obligations owed to the Covered Bondholders, to the Swap Providers under the Swap Agreements entered into in the context of the Programme (if any) and to the Other Creditors in satisfaction of the transaction costs.

The Cover Pool may not be seized or attached in any form by creditors of the Guarantor other than the entities referred to above, until full discharge by the Guarantor of its payment obligations under the Covered Bond Guarantee or cancellation thereof.

Cross-collateralisation

All Eligible Assets and Integration Assets transferred from the Sellers to the Guarantor from time to time or otherwise acquired by the Guarantor and the proceeds thereof form the collateral supporting the Covered Bond Guarantee in respect of all Series of Covered Bonds.

Claim under Covered Bonds

The Representative of the Covered Bondholders, for and on behalf of the Covered Bondholders, may submit a claim to the Guarantor and make a demand under the Covered Bond Guarantee in case of an Issuer Event of Default or Guarantor Event of Default.

Guarantor Acceleration

Cross Where a Guarantor Event of Default occurs, the Representative of the Covered Bondholders will serve upon the Guarantor a Guarantor Default Notice, thereby accelerating the Covered Bond Guarantee in respect of each Series of outstanding Covered Bonds issued under the Programme. However, an Issuer Event of Default will not automatically give rise to a Guarantor Event of Default.

Disposal of assets included in the Cover Pool after the service of an Issuer Default Notice

After the service of an Issuer Default Notice on the Issuer and the Guarantor, the Guarantor may sell Eligible Assets in the Cover Pool in accordance with the Cover Pool Management Agreement as long as the sale does not cause a breach of the Amortisation Test, subject to pre-emption and other rights of the Sellers in respect of the Eligible Assets pursuant to the Master Loans Purchase Agreement. The proceeds from any such sale will be applied as set out in the applicable Priority of Payments.

Disposal of assets included in the Cover Pool after the service of a Guarantor Default Notice

After the service of a Guarantor Default Notice the Guarantor shall sell certain assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement.

SALE AND DISTRIBUTION

Distribution

Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis, in each case only in accordance with the relevant selling restrictions.

Selling Restrictions

The offer, sale and delivery of the Covered Bonds and the distribution of offering material in certain jurisdictions may be subject to certain selling restrictions. Persons who are in possession of the Base Prospectus are required by the Issuer, the Dealer(s) and the Arrangers to inform themselves about, and to observe, any such restriction. The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Covered Bonds may not be offered, sold or delivered within the United States or to US persons. There are further restrictions on the distribution of the Base Prospectus and the offer or sale of Covered Bonds in the European Economic Area, including France, Germany and the Republic of Italy, in the United Kingdom and in Japan.

Purchase of the Covered Bonds by the Issuer The Issuer may at any time purchase any Covered Bonds in the open market or otherwise and at any price.

On the contrary, the Guarantor shall not purchase any Covered Bonds on the open market or otherwise.

RISK FACTORS

This section describes the principal risk factors associated with an investment in the Covered Bonds and includes disclosure of all material risks in respect of the Covered Bonds. Prospective purchasers of Covered Bonds should consider carefully all the information contained in this document, including the considerations set out below, before making any investment decision. This section of the Base Prospectus is split into the following main sections:

- 1. Risks related to the financial situation of the Issuer;*
- 2. Risks related to the Issuer's business activities and the market where the Issuer operates;*
- 3. Risks related to the legal and regulatory framework;*
- 4. Risks related to the nature of the Covered Bonds;*
- 5. Risks related to the underlying;*
- 6. Risks related to the Guarantor and the Covered Bond Guarantee; and*
- 7. Risks related to the offer to the public and admission of the Covered Bonds to trading on a regulated market.*

All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below. Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Covered Bonds issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on the information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document incorporated by reference) and reach their own views prior to making any investment decision.

1. Risks related to the financial situation of the Issuer

The Issuer's financial performance is affected by the general economic conditions, in particular in the Republic of Italy and Europe.

Adverse changes or a general deterioration in the Italian, European or global economic conditions, or arising from systemic risks in the financial system, could affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provision for bad and doubtful loans and other provisions.

The Issuer is not a retail bank and its core institutional role is to provide key financial and credit services to the network of Banche di Credito Cooperativo (the "BCCs").

The BCCs' asset quality is exposed to domestic economic weakness through the composition of their loan portfolio, mainly to households, small enterprises and artisans. Sustained loan growth in the past few years, coupled with high loan portfolio concentration in the real estate sector for some BCCs, makes their credit risk vulnerable to the domestic economic environment.

There has been a recent outbreak of respiratory disease caused by a new coronavirus ("COVID-19") which has now been detected in Italy in March 2020 and has been characterised by the World Health Organisation as a pandemic. This has led to volatility in the capital markets, which may lead to volatility in, or disruption of, the credit markets at any time and may adversely affect the value of the Covered Bonds. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. These additional risks may prejudice the Issuer's ability to fully implement its

Transformation Plan (as defined in paragraph ‘*The Group’s strategic plan*’ within the section “*The Issuer*” below), impact on the Issuer’s profitability, in particular in terms of operating income and cost of risk, and therefore materially and adversely affect the Issuer's ability to make payments on the Covered Bonds and the liquidity thereof.

If the spread of COVID-19 persists for a significant period of time, this could have a material negative impact on the global economy. Investors should note the risk that COVID-19, or any governmental or societal response to COVID-19, may affect the business activities and financial results of the Issuer and the Group, and/or may impact on the ability of the Issuer to make payments on the Covered Bonds.

Historical Information and availability of Financial Information

The historical, financial and other information set out in the section headed “*The Issuer*” represents the historical experience of the Issuer. There can be no assurance that the future experience and performance of the Issuer will be similar to the past experience described in this Base Prospectus.

Risk connected to the individual loss recognised at the end of the 2019 financial year

The Issuer's results as at and for the year ended 31 December 2019 reflect a loss of Euro 127.4 million, due to the occurrence of some extraordinary events.

The structure of the Issuer's income statement was significantly altered in 2019 in response to the need for a reorganisation of the Issuer in light of its new role as group head company (*capogruppo*) of the Group. In particular, it became necessary to alter the size of the Issuer's operating and control units, and to invest in establishing a regulatory and operational framework for what has become a new and more complex banking group. These structural changes were put in place at a time characterised by many regulatory changes that called for an extraordinary commitment of financial resources and human capital.

Factors that impacted on the Issuer's financial performance for the year 2019 include:

- a reduction in the Issuer's net interest income (Euro 31.8 million) due to the decrease in interest rates and consequent generalised drop in yields on both securities and lending, accompanied by a shift in transactions involving the BCCs that favoured forms of secured funding while maintaining high levels of liquidity deposited with the Issuer;
- a decrease in the Issuer's net fee and commission income (Euro 21.8 million) attributable to its electronic money business and extraordinary state-guarantee backed securitisation transactions;
- the increase in dividends received from Group companies (Euro 2.4 million);
- the increase in other operating income due to new services billed to the BCCs (Euro 68.1 million) and the recovery of project costs (Euro 15.6 million); and
- an increase of operating expenses of Euro 95 million as a result of increased costs of personnel and IT.

The Issuer's financial performance was also affected by the need to recognise the impairment of certain controlling interests, particularly in Iccrea BancaImpresa S.p.A., totalling Euro 77 million. This was done due to misalignments arising in conjunction with the first-time adoption of International Financial Reporting Standards 9 (“**IFRS 9 – Financial Instruments**”) and its impact on equity reserves.

However, it is important to note that the loss of Euro 127.4 million in 2019 is also the result of a conscious policy to reduce the Group's risk profile in response to the write-down of a portfolio of non-performing loans (securitised with notes held by the Issuer) acquired, prior to the creation of the Group, by the BCCs, that featured high levels of risk. This risk reduction exercise was carried out by applying a sale scenario in compliance with IFRS 9 – Financial Instruments, with write-downs in the amount of Euro 38 million.

Prospective investors should note that further 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. This could affect the business activities and financial results of the Issuer and, in turn, the Issuer's ability to make payments under the Covered Bonds.

2. Risks related to the Issuer's business activities and the market where the Issuer operates

Global market conditions

The Group's (and, therefore, the Issuer's) performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain highly uncertain in both the short term and medium term. Material adverse effects on the business and profitability of the Issuer may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where it operates and, as recently experienced, a pandemic emergency). Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets.

The current macroeconomic situation is characterised by high levels of uncertainty, mainly due to: (i) impact of government and international regulatory bodies' responses to COVID-19 on global growth and individual countries; (ii) the U.S.-driven trend towards protectionism; (iii) the uncertain outcome of the commercial dispute between the US and China, which could have an effect on international trade and therefore global production; (iv) Brexit and the uncertain future relationship between the United Kingdom and the European Union; (v) future developments in the European Central Bank (the ECB) and Federal Reserve (FED) monetary policies; (vi) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets; and (vii) the potential negative impacts on the economy arising from climate change and global warming at both world and national level.

As a result, the Issuer's ability to access the capital and financial markets and to refinance debt to meet the financial requirements may be adversely impacted and costs of financing may significantly increase. This could materially and adversely affect the business, results of operations and financial condition of the Issuer, with a consequent adverse effect on the market value of the Covered Bonds and the Issuer's ability to meet its obligations under the Covered Bonds.

Credit Risk

The business, economic and financial solidity of the Issuer, as well as its profits, are exposed to the traditional risks related to credit activity and depends, amongst other things, on customers and counterparties complying with their payment obligations, and on the credit rating of customers.

A number of factors affect a bank's credit risk in relation to individual credit exposures or for its entire loan book. These include the trend in general economic conditions or those in specific sectors, changes in the rating of individual counterparties, deterioration in the competitive position of counterparties, poor management by firms or counterparties given lines of credit, and other external factors, also of a legal and regulatory nature.

Risk management methodologies, assessments and processes used by the Issuer to identify, measure, evaluate, monitor, prevent and mitigate any risks to which the Issuer is or might be exposed, are intended to guarantee adequate capital resources and an adequate liquidity profile of the Group. These include:

- (i) the continued reduction of the non-performing loan stock;
- (ii) recovery actions in respect of non-performing exposures; and

- (iii) the setting up of a target model for the management and recovery of bad loans. However, such actions might not be sufficient to protect the Group against, for example, unexpected changes in the creditworthiness of a counterparty. In addition, following the COVID-19 outbreak, it cannot be excluded that credit quality for the year 2021 could be influenced with the potential impact not yet quantifiable.

The business, economic and financial solidity of the Issuer, as well as its profits, are exposed to additional risks relating to regulatory updates and commitments summarized as follows.

The Issuer applied the new guidelines on the definition of default. The objective of the new legislation on default is to harmonize the definition of default between different areas of the EU, strengthen the comparability of risk metrics between different players in banking industry, and ultimately achieve the homogenization and comparability of the classification framework regarding impaired credit facilities, as well as the minimization of the variability of RWA among financial institutions with similar risk profiles. The initial application of the new definition of default could generate a worsening in the economic performance of the Issuer. This is due to an increase in the non-performing exposure stock caused by the severity of the classification criteria.

Secondly, the Issuer shall comply with the obligations laid down by the Regulation (EU) 2019/630 of 17 April 2019 (“**Calendar Provisioning**”). In this context, the main risk consists in the increase in coverage to be applied to the non-performing according to the paths established by the Supervisory Authority. The application of Calendar Provisioning prescriptions required the Issuer to review impaired credit facility management strategies, to identify the potential impacts of different exposure types (e.g., secured/unsecured, etc) and to minimize those impacts through credit management (by evaluating the trade-off between the enhancement of recovery procedures and other possible de-risking actions). Overall, the interaction with other regulations, especially the new definition of default, which directly affects the Issuer's NPL amount, will ultimately amplify the Calendar Provisioning effects.

Risks associated with the COVID-19 pandemic

The outbreak of the health crisis deriving from the spread of COVID-19, also known as coronavirus is having, and may have for an unforeseeable period of time, important health, social and economic consequences worldwide, including Italy. In addition to the worsening of the global macroeconomic scenario and the risk of deterioration of the credit profile of a considerable number of countries (including Italy), the pandemic has already led to significant slowdowns in many business activities. The COVID-19 pandemic and governmental responses to it have had, and continue to have, a severe impact on global economic conditions, including temporary closures of many businesses, leading to loss of revenues and increased unemployment as well as the institution of social distancing.

The COVID-19 pandemic has had and is still having significant negative consequences on the overall scenario and in turn on the Italian banking sector in which the Issuer operates. Furthermore, the measures implemented by the competent authorities, and mainly the Italian Government, on the one side, helped facing the health emergency, while on the other had negative consequences in human, social and economic terms. Indeed, such measures led to a reduction in revenues on the majority of the corporate customers, an increase of costs related to the actions necessary to contain and prevent the spread of COVID-19 and, in turn, on the ability to pay existing debt (potentially also to the Issuer) and on current employment levels. Any of such circumstances may have an impact on the Issuer's results and, in turn, on the Issuer's ability to pay interest or repay principal under the Covered Bonds.

Despite the actions taken so far by the Italian government, the regulatory bodies of the European Union and the relevant member states to mitigate the negative impact of the anti-COVID-19 measures and support the

economic recovery, significant uncertainties still remain about the evolution, severity and duration of the economic consequences of the pandemic. Should the COVID-19 pandemic and the consequent economic crisis situation persist in the forthcoming months, further negative impacts may arise on the Issuer's business situation, also due to the fact that such crisis situation increases the materiality of most of the risks to which the Issuer is exposed to and in turn the Group's results and financial condition might be materially adversely affected.

Risks arising from the sovereign debt crisis

The Issuer is affected by disruptions and volatility in the global financial markets including, in recent years, the sovereign debt crisis in the Euro-zone. Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding.

Furthermore, the Issuer's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating (if any) of Covered Bonds issued under the Programme are downgraded.

As at 31 December 2020, the Issuer's exposure to securities issued by the Italian government amounted to Euro 10.20 billion compared to approximately Euro 9.89 billion as at 30 June 2020.

The Issuer's exposure refers for the most part to assets classified in the HTC Business Model – valued at amortized cost; it refers for Euro 0.17 billion to financial assets classified in the HTCS Business Model – whose changes in fair value have an impact on equity (€ 0.72 billion 30 June 2020).

As at 31 December 2020, the Issuer's investments in sovereign debt securities issued by EU Countries corresponded to Euro 10.40 billion (approximately 19 per cent of the Issuer's total assets) compared to Euro 10.10 billion as at 30 June 2020 (approximately 19 per cent of the Issuer's total assets).

As at 31 December 2019, the Issuer's exposure to securities issued by the Italian government amounted to Euro 7.58 billion; the Issuer's investments in sovereign debt securities issued by EU Countries corresponded to Euro 7.78 billion and represented approximately 16 per cent. of the Issuer's total assets.

Any further deterioration in the credit quality of securities issued by governments, central banks and other public entities held by the Issuer could materially and adversely affect the business, results of operations and financial condition of the Issuer, with a consequent adverse effect on the market value of the Covered Bonds and the Issuer's ability to meet its obligations under the Covered Bonds.

Market risk

The market risk involved in the Issuer's business activities lies in the risk of possible losses arising from changes in the market due to fluctuating or changing interest rates, foreign exchange rates, share prices and prices in general. This risk encompasses both trading book and banking book positions. Positions of risk are the result either of business positions taken for or in respect of customers, or of a deliberate assumption of such positions.

The Issuer's trading revenues and interest rate risk exposure depend on its ability to identify properly, and mark to market, changes in the value of financial instruments caused by movements in market prices or interest rates.

The Issuer's financial results also depend on how effectively the Issuer determines and assesses the cost of credit and manages its own credit counterparty risk and market risk concentration.

Risk related to fluctuations in interest rates and exchange rates

The interest rate risk is the risk originating from the differences in the maturities and in the times for redefining the interest rate of the assets and liabilities included in the banking book. In the presence of these differences, the fluctuations in interest rates determine both a short-term change in the expected profit, through the effects on the NII, and long-term effects on the economic value of the shareholders' equity, through the change in the market value of assets and liabilities.

The measurement of the interest rate risk on the banking book is based on the valuation of the economic value and earnings-based measures. The Issuer adopts a risk management policy related to interest rate fluctuations aimed at maximizing profitability and limiting the risks of negative effects on the capital/income profile of potential adverse changes in interest rates.

A residual part of the Issuer's business is carried out in currencies other than the Euro. Therefore, a negative change in exchange rates and / or an hedging strategy that is insufficient to cover the related risk could have negative effects on the business, results and equity and financial situation of the Issuer and/or the Group.

Operational Risks

Operational risk is defined as the risk of suffering losses due to inadequacy or failure of processes, human resources and internal systems, or as a result of external events. Operational risk includes legal risk, which is the risk of losses deriving from breaches of laws or regulations, contractual, out-of-contract liabilities or other disputes, ICT (Information and Communication Technology) risk and model risk. Strategic and reputational risks are not included.

Omissions, mistakes, delays or interruptions by any supplier and, in general, any failure by them to comply with the minimum level of service required might cause adverse effects on the Issuer's business.

Investors should be aware that the Issuer's risk management techniques and strategies may not be effective in mitigating its risk exposure in all economic market environments or against all types of risks (especially those due to potential exogenous factors such as external fraud), including risks that the Issuer fails to identify or anticipate.

Liquidity risk

Liquidity risk is the risk that the Issuer will be unable to meet its payment obligations due to its inability to secure funding or only being able to secure it at above-market costs (funding liquidity risk) or to the possibility of incurring capital losses on the sale of assets (market liquidity risk).

Liquidity risk is identified and monitored using the operational and structural maturity ladder (in order to identify possible negative liquidity gaps in relation to specified maturity structure) and the overall liquidity indicator system (RAS, risk limits, contingencies, and additional metrics), designed to quickly identify potential strains.

During the course of 2020, the Group's liquidity position remained within the risk limits set under both internal rules and external regulations. The RAS liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) were within their target ranges at values far above the risk appetite thresholds set when preparing the financial plan, with an increase as at 31 December 2020 since the 30 June of the same year on the LCR indicator from 287% to 299% and an increase on the NSFR indicator from 130% to 132%.

Liquidity buffers at 31 December 2020 totalled around Euro 37.8 billion, about 86% of which was in Italian government securities. In terms of structural liquidity, the regulatory NSFR pointed to adequate levels of stable funding to cover the financing needs generated by the various forms of commercial lending and investment in the financial portfolio.

The Issuer constantly monitors its own and the Group's liquidity and funding risks. However, there can be no assurance that any negative developments in the conditions of the markets, in the general economic environment and/or in the Issuer's credit standing, combined with the need to align the Issuer's liquidity and funding position to regulatory requirements, would not have a negative impact on the business, financial condition and/or results of operations of the Issuer and/or the Group.

Risks associated with the UK's withdrawal from the EU (Brexit)

The UK left the EU as of 31 January 2020 and the transition period ended on 31 December 2020. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ended the supremacy of EU law in the UK and, together with secondary legislation made under it, ensures there is a functioning statute book in the UK.

The Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community dated 24 January 2020 provided the UK with a transitional period until 31 December 2020, during which the UK was bound by EU rules despite not being its member state and remained in the single market area, while the future terms of the UK's relationship with the EU were being negotiated.

On 24 December 2020, the EU and the UK reached an agreement on the Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), which sets out the principles of the relationship between the EU and the UK following the end of the transitional period. The Trade and Cooperation Agreement was provisionally applicable from 1 January 2021 until 30 April 2021 and formally entered into force on 1 May 2021.

Uncertainties remain concerning the economic consequences of the withdrawal of the UK from the European Union, commonly referred to as "**Brexit**". The continuing effects of Brexit are difficult to predict and there remains both short-term and long-term political and economic uncertainty around the departure that may have a negative impact on the UK economy, affecting its growth. Accordingly, no assurance can be given that Brexit will not adversely affect the Issuer's and/or the Group's business, financial condition and results of operations. Due to a lack of precedent on withdrawals from the EU, Brexit could have unpredictable consequences for credit markets, the EU single market and other important financial and trade relationships, which could adversely affect the Issuer's and/or the Group's business, results of operations and financial performance, in particular in the Eurozone.

If the Issuer and/or the Group do not adapt in a timely and appropriate manner to changes resulting from the uncertain macroeconomic environment and industry conditions, or to difficulties in the financial markets, or if they are unable to continue to access the capital markets, the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme may be affected.

3. Risks related to the legal and regulatory framework

The Issuer is subject to capital requirements that could limit its operations

The Issuer, as group head company (*capogruppo*) of the Group, is subject to capital adequacy guidance adopted by the ECB, which provides for a minimum ratio of total capital expressed as a percentage of risk adjusted

assets on a consolidated basis. The capital buffer, as provided by the guidance, must be maintained in the form of Common Equity Tier I capital. The Issuer's failure to maintain its ratios would not constitute a breach of the minimum prudential requirements; however, the Issuer might be subject to restrictions upon maximum distributable amounts.

Basel III and Bank Capital Adequacy

The Issuer must comply with the revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, which impose requirements for, inter alia, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. In terms of banking prudential regulations, the Issuer is also subject to the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 ("**BRRD**", implemented in Italy with the Legislative Decree. 180 and 181 of 16 November 2015) on the recovery and resolution of credit institutions, as well as the relevant technical standards and guidelines from EU regulatory bodies (for example the European Banking Authority ("**EBA**") and the European Securities and Markets Authority ("**ESMA**")), which, inter alia, provide for capital requirements for credit institutions, recovery and resolution mechanisms.

Should the Issuer not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the applicable laws and regulations, it may be required to maintain levels of capital which could potentially impact its credit ratings and funding conditions.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and the Regulation (EU) No. 575/2013 (the "**CRR**", together with the CRD IV Directive, the "**CRD IV Package**") subsequently updated in the Regulation N. 2019/876 and Directive (EU) 2019/878 (the "**Banking Reform Package with CRR II and CRD V**"). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a minimum requirement of own funds and eligible liabilities (the "**Minimum Requirement for Own Funds and Eligible Liabilities**", "**MREL**").

The Banking Reform Package also contains Directive (EU) 2019/879 ("**BRRD II**"), which amended the BRRD, introducing, *inter alia*, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of the MREL itself. The MREL requirement constrains the Group structure of liabilities and it requires the use of subordinated instruments, in the sense of eligible liabilities, which may impact the costs structure of the Group and potentially the Issuer's financing ability. Prospective covered bondholders should note that the resolution strategy and the MREL requirement is currently under discussion with the competent Authority.

Risk related to the European Central Bank inspections at the Issuer and the outcomes of the Supervisory Review and Evaluation Process (SREP)

Based on the new harmonised framework for supervisory review and evaluation implemented by the ECB, and following completion of the annual supervisory review and evaluation process ("**SREP**") carried out on the Issuer pursuant to Article 4(1)(f) of Council Regulation (EU) No. 1024/2013, the ECB notified the Issuer of its SREP decision on 4 December 2019.

The Issuer (as group head company of the Iccrea Cooperative Banking Group) was required to meet, for 2020, the following capital ratios at consolidated level:

- (i) Total SREP Capital Requirement of 10.5% (including a minimum total capital requirement maintained on an ongoing basis of 8%);
 - (ii) an additional Pillar 2 own-funds requirement (to be held in the form of CET 1 capital on an ongoing basis) of 2.5%; and
 - (iii) a total capital requirement of 13% (including a capital conservation buffer of 2.5%),
- while no specific requirements are imposed on the individual level.

Additionally, the ECB's guidance given in respect of the Issuer's Pillar 2 capital (referred to as Pillar 2 Guidance, or P2G) was set at 1.25%. However, such guidance does not constitute part of the minimum requirements and represents an indication of the capital level adequate as a buffer to withstand stressed situations. Failure to comply with such guidance would not constitute a breach of the Issuer's minimum prudential requirements and is not required to be taken into account for the purposes of any restrictions upon maximum distributable amounts. Moreover, on 8 April 2020, the ECB notified the Issuer that, given the difficulties faced by banking institutions due to the COVID-19 pandemic, the Issuer's additional Pillar 2 own-funds requirement previously set is to be met in the form of CET1 capital for at least 56,25% and in the form of Tier 1 capital for at least 75%.

Evolution of banking prudential regulation

The banking and financial regulatory framework to which the Group is subject is extremely stringent and detailed and the Issuer is subject to the supervision by the competent supervisory authorities, including ECB, Bank of Italy and CONSOB. In addition, the regulatory framework and supervision activity are subject to ongoing changes in the law and ongoing developments.

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

Risks connected with ordinary and extraordinary contributions to funds established under the scope of the banking crisis rules

The Group must comply with the contribution obligations required by legislation concerning bank resolution. Upon the occurrence of an increase in the ordinary contributions requested to the Group companies, the profitability of the Group would decrease and the level of capital resources of the Issuer and the Group would be adversely affected; should extraordinary contributions be requested to the Group, this could have a negative impact, even significant, on the Group's balance sheet and financial results.

Following the crisis that affected many financial institutions from 2008, various risk-reducing measures have been introduced, both at European level and at individual Member State level. Their implementation involves significant outlays by individual financial institutions in support of the overall banking system.

Ordinary contribution obligations reduce profitability and have a negative impact on the Group's capital resources. It is not possible to rule out that the level of ordinary contributions required from the Group will increase in the future in relation to the development of the amount related to protected deposits and/or the risk relating to the Group compared with the total number of banks committed to paying said contributions.

In addition, it is not possible to rule out that, even in future, as a result of events that cannot be controlled or predetermined, the Deposit Guarantee Scheme (including the National Guarantee Fund and the *Fondo di Garanzia dei depositanti del Credito Cooperativo*), the Single Resolution Fund and the National Resolution Fund, do not find themselves in a situation of having to ask for more, new extraordinary contributions. This

would involve the need to record further extraordinary expenses with impacts, including significant ones, on the capital and financial position of the Issuer.

Risks arising from the reform of the Cooperative Credit Banks (BCC)

The Issuer is (pursuant to the applicable legislation) the group head company (*capogruppo*) of the Iccrea cooperating banking group which, in addition to certain subsidiaries of the Issuer, comprises (as of the date of this Base Prospectus) 130 cooperative credit banks (*banche di credito cooperative*) (the "**BCCs**").

In February 2016, Law Decree No. 18 of 14 February 2016 was published in the Official Gazette of the Italian Republic (as subsequently converted into law with amendments by Law no. 49/2016) (the "**BCC Reform Law**") introducing a series of important reforming measures for Italy's cooperative credit banks. As described in the risk factor below, the Group has recently undergone a corporate reorganisation pursuant to the BCC Reform Law and the Issuer has become group head company (*capogruppo* for the purposes of the BCC Reform Law) of the Iccrea Cooperative Banking Group (*Gruppo Bancario Cooperativo Iccrea*). For further information, please see the section "*The Issuer*".

The BCC Reform Law requires cooperative banks (as an alternative to becoming a company limited by shares (*società per azioni*) and meeting certain other requirements) to be part of a cooperative banking group whose group head company has net assets (*patrimonio netto*) of at least Euro 1 billion, as a prerequisite for obtaining authorisation from the Bank of Italy to carry out banking securities in the form of a cooperative credit bank.

The BCC Reform Law provides that the group head company shall manage and coordinate the activities of the group pursuant to an agreement called a "cohesion contract" (*contratto di coesione*). Such agreement, among other things, regulates the powers of the group head company and contains an inter-group financial support mechanism committing reciprocally any participating cooperative bank, both vertically (as between each cooperative bank and the group head company) and horizontally (as between each cooperative bank in the group).

The liability sharing mechanism has the dual purpose of: (i) jointly guaranteeing the obligations of any cooperative bank in the group in its dealings with a third party (external guarantee) and (ii) providing financial support mechanisms for the solvency and liquidity of the participating cooperative banks (intra-group financial support mechanism). For further information regarding such cross guarantee mechanism in relation to the Group, see the risk factor "*Risks arising out of the guarantee mechanism in the Cohesion Contract*".

The purpose of the intra-group financial support mechanism is to mobilise capital and liquidity within the group in order to be compliant with the regulatory requirements and to satisfy the demands of the supervisory authority avoiding the need to resort to crisis management procedures beyond the cooperative banking group. The mechanism, for the benefit of the cooperative bank ensures that their funding needs are met at all times.

Pursuant to the BCC Reform Law, at least 60% of the group head company's capital must be held by the cooperative banks belonging to the group. The remainder of its share capital may be held by equivalent entities (e.g. European banking cooperative groups and foundations (*fondazioni*)) or via the capital markets.

In the case of the Issuer, as at the date of this Base Prospectus, 95.769% of its shares are held by 130 BCCs together with Cassa Centrale Banca del Nord-Est, Raiffeisen Landesbank Sudtirol Cassa Centrale dell'Alto Adige and certain other banks. The remaining portion is owned by certain other entities permitted by the BCC Reform Law. For further information, please see the section "*The Issuer*".

The Issuer, as group head company, may subscribe "financing shares" (*azioni di finanziamento*) issued by a BCC pursuant to Article 2526 of the Civil Code and therefore help to strengthen the capital structure of the

cooperative bank generally, as well as in situations where the cooperative bank is insufficiently capitalised or subject to extraordinary administration (*amministrazione straordinaria*).

Prospective Covered Bondholders should be aware that, as at the date of this Base Prospectus, the provisions of the BCC Reform Law and the implementing regulations of the Bank of Italy in Circular No. 285 of 17 December 2013 (as amended on 2 November 2016) have not yet been tested judicially or by established market practice. Accordingly, it is not possible to predict with certainty the full impact of this legislative reform on the Issuer and its business and, while senior management of the Issuer believes such legislation to be a positive development for the Group, no guarantee can be given regarding its potential impact on the Group's results of operations, business and financial condition and, consequently, on the market value of the Covered Bonds and the Issuer's ability to meet its obligations under the Covered Bonds.

The reforms described above are part of an ongoing process of consolidation of the Italian banking sector brought about, in part, from the implementation of European Directives aiming to liberalise and deregulate the banking sector in the European Union, and in particular in Italy, significantly increasing competitive pressure. In the event that the Group is not able to respond to such competition by, amongst other things, providing innovative and profitable products and services to meet the needs of clients, the Group could lose market share in the sectors in which it operates. In addition, as a result of such competition, the Group may fail to maintain or increase business volumes and profit levels that have been achieved in the past, resulting in adverse effects on the Group's results of operations, business and financial condition.

Risk arising from the reorganisation and rationalisation of the Group pursuant to the BCC Reform Law

The Issuer has recently undergone a substantial corporate reorganisation pursuant to the BCC Reform Law.

On 1 June 2016 the Bank of Italy authorised pursuant to Article 57 of the Consolidated Banking Act the reverse merger by incorporation of ICCREA Holding S.p.A. into the Issuer. This reverse merger was carried out to allow the members of the group to comply with provisions of the BCC Reform Law. The Issuer had prior to such merger and as at the date of this Base Prospectus has net assets (*patrimonio netto*) in excess of Euro 1.5 billion and, accordingly, meets the required threshold contained in the BCC Reform Law. Such reorganisation was approved by the board of directors of the Issuer on 26 February 2016, by the shareholders in an Extraordinary General Meeting of the Issuer held on 12 July 2016 and formalised by a merger deed between the Issuer and ICCREA Holding S.p.A. dated 15 September 2016. As a consequence of such merger, effective as of 1 October 2016, the Issuer is now the group head company of the Group. The reverse merger was carried out in order to strengthen the Issuer's group as a whole and in particular from a corporate and regulatory standpoint.

In order to satisfy the objectives outlined within the BCC Reform Law, the Issuer held meetings with local federations of the BCCs and set out a schedule of project activities, which are currently underway. Such activities are being carried out by committees, working groups and project management teams comprising staff from the Issuer, the BCCs and representatives of the BCCs' federations.

On 27 April 2018, the Issuer's board of directors resolved to assume the role of head of the group, and sent to the European Central Bank ("**ECB**") and the Bank of Italy its request to establish the Iccrea cooperative banking group, to which would adhere 142 BCCs and the establishment of the Group was authorised by the ECB on 24 July 2018.

On 10 January 2019, a shareholders' meeting of the Issuer approved amendments to its by-laws, to bring them in line with the Issuer's new role as head (*capogruppo*) of the Group pursuant to the BCC Reform Law, and to increase the Issuer's share capital by Euro 250 million, from Euro 1.15 billion to Euro 1.4 billion.

On 4 March 2019 the ECB gave final approval to the establishment of the Group, which was then formally registered in the Italian register of banking groups (*Albo dei Gruppi Bancari*) by the Bank of Italy.

No guarantee can be given that the impact of the reorganisation of the Group will strengthen the same. Any failure of the implementation of the objectives pursuant to the Group's corporate reorganisation may have an adverse effect on the results of the Issuer's operations, business and financial condition and, consequently, on the market value of the Covered Bonds and the Issuer's ability to meet its obligations under the Covered Bonds.

Risks arising out of the guarantee mechanism in the Cohesion Contract

In January 2019, the Issuer and 142 BCCs entered into a cohesion contract (the "**Cohesion Contract**") in accordance with the BCC Reform Law as described in more detail in the section "*The Issuer– Recent Events*".

The Cohesion Contract provides, among other things, for a liability-sharing mechanism governed by Italian law which pursuant to Circular No. 285 has been created also to meet the requirements for a "*cross guarantee scheme*" as defined in the CRR (the "**Cross Guarantee Scheme**"). In particular:

- the Issuer guarantees to the BCCs that it will support the obligations assumed by them. In turn, each BCC cross-guarantees to the Issuer and to the other BCCs that it will support the obligations of the Issuer and all other BCCs;
- the existence of the Cross Guarantee Scheme means that the liabilities of the Issuer and the individual BCCs are classified as joint and several liabilities of all BCCs and the Issuer;
- in order to implement the liability-sharing mechanism as required by Italian law and the guidelines of the Bank of Italy contained in Circular No. 285, the Issuer and the BCCs have put in place arrangements to ensure the prompt provision of financial means in terms of capital and liquidity if required. In particular, the Issuer and the BCCs have committed funds readily available to them which may be applied by the Issuer in its discretion and as it determines, in order to meet the obligations of the Issuer and the BCCs, thereby providing inter-group financial support; and
- the individual BCCs and the Issuer participate with the necessary funds, the amount of which, in the case of the BCCs is represented by a pre-established quota agreed with the Issuer plus a quota that can be called by the Issuer on demand if needed.

This Cross Guarantee Scheme mechanism is an integral part of any such cohesion contract, so its provision is an unavoidable condition. Prospective Covered Bondholders should be aware, therefore, of the risk that the Cross Guarantee Scheme could place an obligation on the Issuer to commit, if necessary, its own assets to provide the financial support necessary to ensure the performance of the cross-guarantee obligations.

The Cross Guarantee Scheme is structured to create different levels for the Issuer's and BCCs' joint and several liability, whereby the degree of liability and exposure is linked to the capital resource of the Issuer and the individual BCCs (as the case may be).

Within the limits mentioned above, the Cross Guarantee Scheme is an inter-group financial support mechanism within which the participating banks provide each other with financial support to ensure solvency and liquidity (particularly for the purpose of their compliance with the prudential requirements and requirements of the supervisory authority) and to avoid, where necessary, submission to resolution procedures pursuant to Legislative Decree no. 180/2015 or to compulsory administrative liquidation procedures pursuant to art. 80 and following, of the Consolidated Banking Act.

The Cross Guarantee Scheme contained in the Cohesion Contract means that the Issuer has exposure to the liabilities of any BCC that defaults on its creditors. Any such default may result in an adverse effect on the Issuer's results of operations, business and financial condition.

Risks connected with breaches of the Cohesion Contract

Any breach of the Cohesion Contract by the Issuer or by one or more BCCs might have an impact on the Group as a whole.

The Cohesion Contract describes certain penalties, which vary according to the seriousness of the infringement, that may be applied by the Issuer in the event of breach of its directions, as well as other contractual obligations.

In such regard, the Cohesion Contract gives the Issuer certain powers including the following:

- to change the structure and operation of the individual Group BCC;
- to restrict new transactions by suspending the taking of new risk;
- to restrict the individual BCC's geographical reach; and
- (in the most serious cases) to exclude an individual Group BCC from the Group.

In case of breach of the Cohesion Contract, no guarantee can be given regarding its potential impact on the Group's results of operations, business and financial condition and, consequently, on the market value of the Covered Bonds and the Issuer's ability to meet its obligations under the Covered Bonds.

Risks relating to changes of law

The structure of the issue of the Covered Bonds is based on Italian law (and, in the case of the Swap Agreements and the Deed of Charge, if any, on English law) in force as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to Italian or English law or administrative practice or to the law applicable to any Transaction Document and to administrative practices in the relevant jurisdiction or that any such change will not negatively impact the structure of the Programme and the treatment of the Covered Bonds. Except to the extent that any such changes represent a significant new factor or result in this Base Prospectus containing a material mistake or inaccuracy, in each case which is capable of affecting the assessment of the Covered Bonds, the Issuer and the Guarantor will be under no obligation to update this Base Prospectus to reflect such changes.

On 18 December 2019, the following provisions were published on the Official Journal of the European Union:

- (i) Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (the “**Directive**”); and
- (ii) Regulation (EU) 2019/2160 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) No 575/2013 as regards exposures in the form of covered bonds (the “**Regulation**”).

The Regulation and the Directive amend certain provisions of the CRR on covered bonds and introduce standards on the issuance of covered bonds and covered bond public supervision. More in particular, the new Regulation makes certain amendments to the CRR to strengthen the quality of the covered bonds eligible for favorable capital treatment, and the new Directive aims to harmonize the regulation and treatment of covered bonds across EU Member States.

Member States will have to implement the Directive by 8 July 2021 and the transposing provisions will apply from 8 July 2022 at the latest. The Regulation shall apply from 8 July 2022.

On 29 October 2020, the Italian Senate approved the draft European Delegated Law 2019-2020, which is aimed – once formally adopted – to delegate the Italian Government to implement – inter alia – Directive (EU) 2019/2162. According to the draft European Delegated Law 2019:

- (i) the Bank of Italy will be the competent authority for the supervision on covered bonds;
- (ii) the implementing provisions shall provide for the exercise of the option granted by Article 17 of the Directive, allowing for the issue of covered bonds with extendable maturity structures; and
- (iii) the implementing provisions shall grant the Bank of Italy with the power to exercise the option to set for covered bonds a minimum level of overcollateralization lower than the thresholds set out under Article 1 of the Regulation (i.e. 2% or 5% depending on the assets included in the cover pool).

As of the date of this Base Prospectus, the Issuer is not capable of assessing the potential impact that the application of the above provisions will have on the Issuer, the Guarantor, the Programme and the Covered Bonds.

Moreover, in the event of any change in the law and/or tax regulations and/or their official interpretations after the date hereof, the performance of the Covered Bonds and the ratings (if any) assigned to the Covered Bonds may be affected. In addition, it should be noted that regulatory requirements may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of any transaction described in this Base Prospectus or of any party and perspective investors under any applicable law or regulation, nor can any assurance be given as to whether any such changes could adversely affect the ability of the Issuer to meet its obligations in respect of the Covered Bonds or the Guarantor to meet its obligations under the Covered Bond Guarantee. Any such change could adversely impact the value of the Covered Bonds.

4. Risks related to the nature of the Covered Bonds

Issuer liable to make payments when due on the Covered Bonds

The Issuer is liable to make payments when due on the Covered Bonds. The obligations of the Issuer under the Covered Bonds are direct, unsecured, unconditional and unsubordinated obligations, ranking *pari passu* without any preference amongst themselves and equally with its other direct, unsecured, unconditional and unsubordinated obligations. Consequently, any claim directly against the Issuer in respect of the Covered Bonds will not benefit from any security or other preferential arrangement granted by the Issuer.

Obligations under the Covered Bonds

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arrangers, the Dealers, the Representative of the Covered Bondholders or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and, after the service by the Representative of the Covered Bondholders of an Issuer Default Notice, the Guarantor. The Issuer and the Guarantor will be liable solely in their corporate capacity for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

Extraordinary Resolutions and the Representative of the Covered Bondholders

A meeting of Covered Bondholders may be called to consider matters which affect the rights and interests of Covered Bondholders. These include (but are not limited to): instructing the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee against the Issuer and/or the Guarantor; waiving an

Issuer Event of Default or a Guarantor Event of Default; defining, reducing or otherwise varying interest payments or repayment of principal or rescheduling payment dates; altering the priority of payments of interest and principal on the Covered Bonds; and any other amendments to the Transaction Documents. Certain resolutions are required to be passed as Programme Resolutions. A Programme Resolution will bind all Covered Bondholders, irrespective of whether they attended the Meeting or voted in favour of the Programme Resolution. No Resolution, other than a Programme Resolution, passed by the holders of one Series of Covered Bonds will be effective in respect of another Series unless it is sanctioned by an Ordinary Resolution or an Extraordinary Resolution, as the case may require, of the holders of that other Series. Any Resolution passed at a Meeting of the holders of the Covered Bonds of a Series shall bind all other holders of that Series, irrespective of whether they attended the Meeting and whether they voted in favour of the relevant Resolution.

It should also be noted that after the delivery of an Issuer Default Notice, the protection and exercise of the Covered Bondholders' rights against the Issuer will be exercised by the Guarantor (or the Representative of the Covered Bondholders on its behalf). The rights and powers of the Covered Bondholders may only be exercised in accordance with the Rules of the Organisation of the Covered Bondholders. In addition, after the delivery of a Guarantor Default Notice, the protection and exercise of the Covered Bondholders' rights against the Guarantor and the security under the Covered Bond Guarantee is one of the duties of the Representative of the Covered Bondholders. The Conditions limit the ability of each individual Covered Bondholder to commence proceedings against the Guarantor by conferring on the Meeting of the Covered Bondholders the power to determine in accordance with the Rules of Organisation of the Covered Bondholders, whether any Covered Bondholder may commence any such individual actions.

Representative of the Covered Bondholders' powers may affect the interests of the Covered Bondholders

In the exercise of its powers, trusts, authorities and discretions the Representative of the Covered Bondholders shall only have regard to the interests of the Covered Bondholders and the Other Creditors, as applicable, but if, in the opinion of the Representative of the Covered Bondholders, there is a conflict between these interests the Representative of the Covered Bondholders shall have regard solely to the interests of the Covered Bondholders.

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Representative of the Covered Bondholders is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Representative of the Covered Bondholders shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a written resolution of such Covered Bondholders holding not less than 25 per cent. of the Outstanding Principal Amount of the Covered Bonds of the relevant Series then outstanding.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Covered Bonds. 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 Covered Bonds.

The ratings assigned to the Covered Bonds address the expectation of timely payment of interest and principal on the Covered Bonds on or before any payment date falling one year after the Maturity Date.

For Moody's, the ratings that may or may not be assigned to the Covered Bonds address the expected loss that Covered Bondholders may suffer.

The expected ratings of the Covered Bonds, where applicable, are set out in the relevant Final Terms for each Series of Covered Bonds. Whether or not a rating in relation to any Covered Bonds will be treated as having been issued by a credit rating agency established in the European Union 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 judgment of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may reduce.

Furthermore, in accordance with the current rating criteria of each of the Rating Agencies, the rating of the Covered Bonds may be linked, under certain circumstances, to the then current rating of the Issuer.

One or more independent credit rating agencies may assign credit ratings to the Issuer, or the Covered Bonds (also where such credit rating agencies have not been engaged or solicited by the Issuer). 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 Covered Bonds. 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 from using a rating for regulatory purposes unless (1) such rating is issued 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 but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under Regulation (EC) No. 1060/2009, as amended (the “**EU CRA Regulation**”).

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”) unless (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.

Covered Bonds issued under the Programme

Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds (in which case they will form part of such Series) or have different terms to an existing Series of Covered Bonds (in which case they will constitute a new Series).

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted by the Guarantor under the Covered Bond Guarantee.

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 (i) it can legally invest in Covered Bonds (ii) Covered Bonds can be used as collateral for various types of borrowing and "repurchase" arrangements and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

The return on an investment in Covered Bonds will be affected by charges incurred by investors

An investor's total return on an investment in any Covered Bonds will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Covered Bonds, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Covered Bonds.

Risks related to the structure of a particular issue of Covered Bonds

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

Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds 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 Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. 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 Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

Redemption for tax reasons

In the event that the Issuer would be obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the First Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Covered Bonds in accordance with the Conditions.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Covered Bonds.

Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may 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 and the market value of such Covered Bonds as the change of the interest basis may result in a lower interest result for Covered Bondholders. Where the Covered Bonds convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. Where the Covered Bond convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Covered Bonds and could affect the market value of an investment in the relevant Covered Bonds.

Interest rate risks

Investments in Fixed Rate Covered Bonds involve the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

Floating rate risks

Investments in Floating Rate Covered Bonds involve the risk for the Covered Bondholders of fluctuating interest rate levels and uncertain interest earnings.

Covered Bonds issued at a substantial discount or premium

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

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

The Euro Interbank Offered Rate ("EURIBOR") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmarks Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU.

The Benchmark Regulation could have a material impact on any Covered Bonds linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international, national or other proposals for reform, 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. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it would no longer persuade or compel banks to submit rates for the calculation of the London Interbank Offered Rate ("**LIBOR**") benchmark after 2021 and confirmed on 5 March 2021 that most the LIBOR benchmark tenors would cease or cease to be representative benchmarks from 31 December 2021 or (in the case of certain tenors of USD LIBOR only) from 30 June 2023. On 5 March 2021, the administrator for LIBOR (the "**ICE Benchmark Administration**" or "**IBA**") similarly announced that it would cease the publication of the relevant LIBOR settings on 31 December 2021 or 30 June 2023, unless the FCA exercises its proposed new powers (which are included in the current UK Financial Services Bill as proposed amendments to the UK Benchmarks Regulation) to require the IBA to continue publishing such LIBOR settings using a changed methodology (also known as a "synthetic" basis). Such announcements indicate that LIBOR will not continue in its current form and the UK Financial Conduct Authority announcement of 5 March 2021 indicated that it is currently contemplating that any "synthetic" basis, if adopted, would be limited to a small number of currencies

and settings. In addition, on 29 November 2017, the Bank of England and the Financial Conduct Authority announced that, from January 2018, its working group on Sterling risk free rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 8(j) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Covered Bond linked to such benchmark (including Floating Rate Covered Bonds whose interest rates are linked to any benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Covered Bond, the return on the relevant Covered Bond and the trading market for securities (including the Covered Bonds) based on the same benchmark.

The Terms and Conditions of the Covered Bonds 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, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or 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, although the application of such adjustments to the Covered Bonds may not achieve this objective. Any such changes may result in the Covered Bonds performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Covered Bonds 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 reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Covered Bonds.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Covered Bonds linked to or referencing a benchmark.

The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Covered Bonds

Investors should be aware that the market continues to develop in relation to SONIA and the Secured Overnight Financing Rate ("**SOFR**") as reference rates in the capital markets and their adoption as an alternative to Sterling or U.S. Dollar LIBOR. In particular, market participants and relevant working groups are still exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA and SOFR rate over a designated term). The continued development of SONIA and SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Covered Bonds.

The use of SONIA and SOFR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing to SONIA and SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked covered bonds issued to date and no assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Covered Bonds, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Terms and Conditions of the Covered Bonds as applicable to the Covered Bonds. Furthermore, the Issuer may in future issue Covered Bonds referencing SONIA or SOFR that differ materially in terms of interest determination when compared with the Covered Bonds. In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives or SOFR and loan markets. Covered Bondholders should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing to SONIA or SOFR.

SONIA and SOFR differ from LIBOR in a number of material respects and have a limited history

SONIA and SOFR differ from LIBOR in a number of material respects, including that SONIA and SOFR are backwards-looking, compounded, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA or SOFR may behave materially differently to interbank offered rates as interest reference rates for the Covered Bonds. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA and SOFR in their current form began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of such rates during the term of the Covered Bonds may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, interest on Covered Bonds which reference a backwards-looking risk-free rate is only capable of being determined at the end of the relevant reference period and immediately prior to the relevant Interest

Payment Date. It may be difficult for Covered Bondholders to estimate reliably the amount of interest which will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, in contrast to Covered Bonds linked to interbank offered rates, if the Covered Bonds referencing to a backwards-looking risk-free rate become due and payable as a result of an Event of Default under Condition 12 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final interest rate payable in respect of such Covered Bonds shall be determined by reference to a shortened period ending immediately prior to the date on which the Covered Bonds become due and payable.

The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR

The Bank of England or The New York Federal Reserve (or a successor), as administrator of SONIA or SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Covered Bonds will apply). The administrator has no obligation to consider the interests of Covered Bondholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

Covered Bonds issued, if any, as "Green Covered Bonds" or "Social Covered Bonds" or "Sustainability Covered Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets

If so specified in the relevant Final Terms, the Issuer may issue Covered Bonds under the Programme described as "green covered bonds" ("**Green Covered Bonds**"), "social covered bonds" ("**Social Covered Bonds**") and "sustainability covered bonds" ("**Sustainability Covered Bonds**") in accordance with the principles set out by the International Capital Market Association ("**ICMA**") (respectively, the Green Bond Principles ("**GBP**"), the Social Bond Principles ("**SBP**") and the Sustainability Bond Guidelines ("**SBG**")).

In such a case, prospective investors should have regard to the information set out at "Reasons for the offer, estimated net proceeds and total expenses" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Covered Bonds together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") has been recently enacted and the relevant technical criteria are still being published.

Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social"

or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time.

Accordingly, no assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds of the Covered Bonds are to be applied will meet the investor expectations regarding such "green" or "social" or "sustainable" performance objectives or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project. As at the date of this Base Prospectus, the Issuer has not published a framework relating to an investment in Green Covered Bonds, Social Covered Bonds and Sustainability Covered Bonds, although the Issuer intends to publish in the future such framework, which will specify that the relevant proceeds will be used for Green Covered Bonds, Social Covered Bonds and/or Sustainability Covered Bonds. For the avoidance of doubt, in no event any of such framework will constitute part of this Base Prospectus.

Furthermore, it should be noted that, in connection with the issue of Green Covered Bonds, Social Covered Bonds and Sustainability Covered Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or social and/or sustainable project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the Covered Bonds as an investment in connection with certain environmental, sustainability or social projects (any such second-party opinion, a "**Second-party Opinion**"). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Covered Bonds or the projects financed or refinanced toward an amount corresponding to the net proceeds of the relevant issue of Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green Covered Bonds or Social Covered Bonds or Sustainability Covered Bonds and would only be current as of the date it is released. A withdrawal of the Second-party Opinion may affect the value of such Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets.

In the event that any such Covered Bonds are listed or admitted to trading on any dedicated "green", "social", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Covered Bonds and Social Covered Bonds.

Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Covered Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Covered Bonds.

While it is the intention of the Issuer to apply the proceeds of Social Covered Bonds, Green Covered Bonds or Sustainability Covered Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, social or sustainable projects, as the case may be, will be capable of being

implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, social or sustainable projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Issuer Event of Default under the relevant Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds.

Any such event or failure to apply the proceeds of the issue of the Covered Bonds for any green, social or sustainable projects as aforesaid may have a material adverse effect on the value of the Covered Bonds and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

Any failure by the Issuer to comply with its reporting obligations in relation to Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds, as applicable, will not constitute an Issuer Event of Default under the relevant Covered Bonds.

No Dealer makes any representation as to the suitability of the Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds to fulfil environmental and sustainability criteria. The Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria, any verification of whether the Green Covered Bonds, Social Covered Bonds or Sustainability Covered Bonds meet the eligibility criteria, or the monitoring of the use of proceeds. Investors should refer to the Issuer's framework once available on its website for information and should determine for themselves the relevance of the information contained in this Base Prospectus regarding the use of proceeds and their investment should be based upon such investigation as they deem necessary.

Tax consequences of holding the Covered Bonds - No Gross-up for Taxes

Potential investors should consider the tax consequences of investing in the Covered Bonds and consult their tax adviser about their own tax situation. Notwithstanding anything to the contrary in this Base Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Issuer or, as the case may be, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be. The Issuer shall be obliged to pay any additional amounts pursuant to Condition 11 (*Taxation*) subject to customary exceptions including Decree No. 239 withholdings. Neither the Issuer nor the Guarantor shall be obliged to pay any additional amounts to the Covered Bondholders in relation to withholdings or deductions on payments made by the Guarantor.

There is no authority directly on point regarding the Italian tax regime of payments made by an Italian resident Guarantor under the Guarantee. For further details see the section entitled "*Taxation*".

5. Risks related to the underlying

Limits to Integration

The integration of the Cover Pool, whether through Eligible Assets or through Integration Assets, shall be carried out in accordance with the methods, and subject to the limits, set out in the Bank of Italy Regulations. More specifically, integration is allowed exclusively for the purpose of (a) complying with the tests provided for under the Decree 310; (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements or (c) complying with the limit of 15% in relation to certain Integration Asset

including in the Cover Pool. Investors should note that integration is not allowed in circumstances other than as set out in the Bank of Italy Regulations and specified above.

Limited description of the Cover Pool

Covered Bondholders will not receive detailed statistics or information in relation to the Mortgage Loans in the Cover Pool, because it is expected that the constitution of the Cover Pool will frequently change due to, for instance:

- the Sellers selling further Mortgage Loans (or types of loans, which are of a type that have not previously been comprised in the relevant Portfolio transferred to the Guarantor); and
- the Sellers repurchasing Mortgage Loans in accordance with the Master Loans Purchase Agreement.

However, each Mortgage Loan will be required to meet the Eligibility Criteria (see "*Description of the Cover Pool — Eligibility Criteria*") and will be subject to the representations and warranties set out in the Warranty and Indemnity Agreement – see "*Overview of the Transaction Documents – Warranty and Indemnity Agreement*". In addition, the Nominal Value Test is intended to ensure that the aggregate Outstanding Principal Balance of the Cover Pool is at least equal to the Outstanding Principal Amount of the Covered Bonds for so long as Covered Bonds remain outstanding and the Test Calculation Agent will provide quarterly reports that will set out certain information in relation to the Statutory Tests.

Sale of Eligible Assets following the occurrence of an Issuer Event of Default

If an Issuer Default Notice is served on the Issuer and the Guarantor, but prior to the service of a Guarantor Default Notice, the Guarantor (also through the Master Servicer, pursuant the Master Servicing Agreement) may sell, refinance or otherwise liquidate the Eligible Assets and Integration Assets included in the Cover Pool (selected on a random basis) (the "**Selected Assets**") in order to make payments to the Guarantor's creditors including making payments under the Covered Bond Guarantee, subject to the rights of pre-emption in favour of (i) the Seller who had previously transferred such Eligible Assets and, if applicable, Integration Assets to the Guarantor, and (ii) one or more different Sellers selected by the Issuer, in accordance with the Master Loans Purchase Agreement. For further information, please see the section "*Overview of the Transaction Documents*" – "*Cover Pool Management Agreement*".

There is no guarantee that a buyer will be found to acquire Selected Assets at the times required and there can be no guarantee or assurance as to the price which can be obtained for such Selected Assets, which may affect payments under the Covered Bond Guarantee. However, the Selected Assets may not be sold by the Guarantor for less than an amount equal to the Required Outstanding Principal Balance Amount for the relevant Series of Covered Bonds until six months prior to the Maturity Date in respect of such Covered Bonds or (if the same is specified as applicable in the relevant Final Terms) the Extended Maturity Date under the Covered Bond Guarantee in respect of such Covered Bonds. In the six months prior to, as applicable, the Maturity Date or Extended Maturity Date, if the Guarantor does not have sufficient other funds standing to the credit of the Accounts available to repay the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), then it is obliged through the Portfolio Manager to sell the Selected Assets for the best price reasonably available notwithstanding that such price may be less than the Required Outstanding Principal Balance Amount.

Realisation of assets following the occurrence of a Guarantor Event of Default

If a Guarantor Event of Default occurs and a Guarantor Default Notice is served on the Guarantor, then the Representative of the Covered Bondholders will be entitled to enforce the Covered Bond Guarantee and to apply the proceeds deriving from the realisation of the Cover Pool towards payment of all secured obligations

in accordance with the Post-Enforcement Priority of Payments, as described in the section entitled "*Cashflows*" below.

There is no guarantee that the proceeds of realisation of the Cover Pool will be in an amount sufficient to repay all amounts due to creditors (including the Covered Bondholders) under the Covered Bonds and the Transaction Documents. If a Guarantor Default Notice is served on the Guarantor then the Covered Bonds may be repaid sooner or later than expected or not at all.

Factors that may affect the realisable value of the Cover Pool or the ability of the Guarantor to make payments under the Covered Bond Guarantee

Following the occurrence of an Issuer Event of Default, the service of an Issuer Default Notice on the Issuer and on the Guarantor, the realisable value of Eligible Assets comprised in the Cover Pool may be reduced (which may affect the ability of the Guarantor to make payments under the Covered Bond Guarantee) by:

- default by Debtors of amounts due on their Mortgage Loans;
- changes to the lending criteria of the Sellers;
- set-off risks in relation to some types of Mortgage Loans in the Cover Pool;
- limited recourse to the Guarantor;
- possible regulatory changes by the Bank of Italy, CONSOB or other regulatory authorities;
- regulations in Italy that could lead to some terms of the Mortgage Loans being unenforceable; and
- the relevant Debtor benefitting of rescheduling or suspension of payments agreements (including moratoriums) in accordance with applicable legislation or agreements entered into by the Italian Banking Association or other trade associations to which the relevant Seller is a party, or granted on a voluntary basis, in order to deal with the COVID-19 outbreak.

Each of these factors is considered in more detail below. However, it should be noted that the Statutory Tests, the Amortisation Test and the Eligibility Criteria are intended to ensure that there will be an adequate amount of Mortgage Loans in the Cover Pool and moneys standing to the credit of the Accounts to enable the Guarantor to repay the Covered Bonds following an Issuer Event of Default, service of an Issuer Default Notice on the Issuer and on the Guarantor and accordingly it is expected (although there is no assurance) that Eligible Assets and Integration Assets could be realised for sufficient prices to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

Default by Debtors in paying amounts due on their Mortgage Loans

Debtors may default on their obligations due under the Mortgage Loans for a variety of reasons. The Mortgage Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in Debtors' individual, personal or financial circumstances may affect the ability of Debtors to repay the Mortgage Loans. Loss of earnings, illness, divorce, the COVID-19 outbreak and other similar factors may lead to an increase in default by and bankruptcies of Debtors and could ultimately have an adverse impact on the ability of Debtors to repay the Mortgage Loans. In addition, the ability of a borrower to sell a property given as security for Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan will depend upon a number of factors, including the

availability of buyers for that property, the value of that property and property values in general at the time. Investors should be aware that the abovementioned circumstances may have a negative impact on the future cashflows of the Issuer and on its ability to pay interest and principal of the Covered Bonds.

Changes to the lending criteria of the Sellers

Each of the Mortgage Loans originated by the Seller will have been originated in accordance with its lending criteria at the time of origination. It is expected that the Seller's lending criteria will generally consider type of property, term of loan, age of applicant, the loan-to-value ratio, mortgage indemnity guarantee policies, high loan-to-value fees, status of applicants and credit history. In the event of the sale or transfer of any Mortgage Loans to the Guarantor, each Seller will warrant that such Mortgage Loans were originated in accordance with the Seller's lending criteria applicable at the time of origination. The Sellers retain the right to revise its lending criteria from time to time subject to the terms of the Master Loans Purchase Agreement. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage Loans, that may lead to increased defaults by Debtors and may affect the realisable value of the Cover Pool and the ability of the Guarantor to make payments under the Covered Bond Guarantee. However, it should be noted that Defaulted Receivables in the Cover Pool will be given a reduced weighting for the purposes of the calculation of the Statutory Tests and the Amortisation Test.

Mortgage borrower protection

Certain legislation enacted in Italy has given new rights and certain benefits to mortgage debtors and/or reinforced existing rights, including, *inter alia*, and as better regulated under the relevant applicable laws and regulations, (i) the right of prepayment of the principal amount of the mortgage loan, without incurring a penalty or, as applicable, at a reduced penalty rate, (ii) the right to the substitution (*portabilità*) of a mortgage loan with another mortgage loan, (iii) the right of first home-owners to suspend instalment payments under mortgage loans up to a maximum of two times and for a maximum aggregate period of 18 months, (iv) the right to suspend the payment of principal instalments relating to mortgage loans for a 12 months period, (v) the automatic suspension of instalment payments of mortgages and loans, up to certain periods, to residents, both individuals and businesses, in certain municipalities affected by environmental disasters and listed in the relevant laws and regulations.

In addition to the above, following the COVID-19 outbreak in Italy, further measures have been adopted, aimed at sustaining income of employees, the self-employed, self-employed professionals, micro and small/medium enterprises, including suspension of instalments payment.

The consequence of the above is that a material part of the Portfolio could be subject to suspension of payments, as consequence of which the Issuer may envisage certain negative impacts, which may not be predicted as at the date of this Base Prospectus, including negative cash shortfalls which could affect the ability of the Issuer to pay timely interest on the Covered Bonds and/or increase in the activities necessary for the servicing of the Portfolio.

Article 120-quater of the Consolidated Banking Act

Article 120-quater of the Consolidated Banking Act provides that any borrower may at any time prepay the relevant loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to article 1202 of the Italian civil code (*surrogato per volontà del debitore*) in the rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation (*atto di surrogazione*) to be made in

the form of a public deed (*atto pubblico*) or of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*) without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within thirty days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1 per cent. of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

As a consequence of the above and, as a result of the subrogation, the rate of prepayment of the mortgage Receivables might materially increase.

Borrower's right to suspend payments under a mortgage loan

Pursuant to the combined provisions of Article 2, paragraph 475 and ff. of Italian law number 244 of 24 December 2007 and the "Solidarity Fund for first home-owners" (*Fondo di sospensione mutui per l'acquisto della prima casa*) (the "**2008 Budget Law**") any borrower under a mortgage loan agreement executed for the purposes of acquiring a "first home" real estate property (*unità immobiliare da adibire ad abitazione principale*) giving evidence of its incapability to pay any instalments falling due under a mortgage loan is entitled to suspend payment of any such instalments for no more than two times during the life of the relevant mortgage loan and for a maximum duration of 18 months (the "**Borrower Payment Suspension Right**"). Upon exercise of the Borrower Payment Suspension Right the duration of the relevant mortgage loan will be extended to a period equal to the duration of the relevant suspension period.

The 2008 Budget Law also provided for the establishment of a fund (so called "*Fondo di solidarietà*", the "**Fund**") created for the purpose of bearing certain costs deriving from the suspension of payments and refers to implementing regulation to be issued for the determination of: (i) the requirements that the borrowers must comply with in order to have the right to the aforementioned suspension and the subsequent aid of the Fund; and (ii) the formalities and operating procedures of the Fund.

On 21 June 2010, the Ministry of Treasury and Finance (*Ministro dell'economia e delle finanze*) adopted ministerial decree No. 132, as further amended ("**Decree 132/2010**") detailing the requirements and formalities which any Borrower must comply with in order to exercise the Borrower Payment Suspension Right.

Pursuant to Decree 132/2010, the Ministry of Economy and Finance, on 27 October 2010, issued the guidelines (*Linee Guida*) (the "**Guidelines**") – published on the website www.dt.tesoro.it (for the avoidance of doubt, such website does not constitute part of this Base Prospectus) which establish the procedures that borrowers must follow in order to exercise the Borrower Payment Suspension Right.

As specified in the Guidelines, pursuant to the provision of Decree 132, the Borrower Payment Suspension Right can be granted also in favour of mortgage loans which have been subject to covered bonds transactions pursuant to the Law 130.

In light of the above, pursuant to the Decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September 2010, CONSAP (*Concessionaria Servizi Assicurativi S.p.A.*), was selected as managing company of the Fund. The request to access to the aid granted by the Fund must be presented by borrowers starting from 15 November 2010, by using the relevant form of suspension-request duly prepared in compliance with the Guidelines and accompanied by the relevant documentation indicated therein. Any borrower who complies with the requirements set out in Decree 132 and the Guidelines, has the right to suspend the payment of the instalments of its mortgage Receivables up to 18 months.

Furthermore, Law Decree No. 18 of 17 March 2020 extended for a 9-month period starting from 17 March 2020 the provisions relating to the Fund - which initially applied exclusively to employees - to the self-employed professionals. Eligibility is subject to completing a self-certification that in any quarterly period following 21 February 2020 – or, if shorter, the period between the date of the application and 21 February 2020 – the relevant individual has suffered a decrease in turnover of more than 33% in the last quarter of 2019 as a result of the closure or restriction of its activity due to COVID-19.

Finally, pursuant to Article 8, paragraph 6, of Law Decree No. 70 of 13 May 2011, converted into law by law No. 106 of 12 July 2011 (the “**Decreto Sviluppo**”), subject to certain conditions and up to 31 December 2012, certain borrowers may achieve (i) a renegotiation of mortgage loans which may result in the amendment of the interest calculation method from floating rate to fixed rate and (ii) the extension of the applicable amortisation plan of the relevant mortgage loan for a period not longer than five years, provided that, as a result of such extension, the residual duration of the relevant mortgage loan does not exceed a period equal to 25 years.

Moreover, on 31 March 2015 ABI and the consumers’ associations, in accordance with the provisions of the Finance Act 2015, as defined below, entered into an agreement pursuant to which, within 31 December 2017, consumers who are in a situation of economic difficulties, as further specified by the agreement, may ask for the suspension of payment of instalments relating to mortgage loans having a maturity of at least 24 months, in accordance with the previous agreements reached between ABI and consumers associations.

On 27 November 2017, ABI and the consumers’ associations, in order to provide continuity to the abovementioned measures, have agreed to extend the agreement until 31 July 2018. On 15 November 2018 the ABI and the Associations representing companies signed a new Credit Agreement (*Accordo per il Credito 2019*) providing for the introduction of some adjustments to the measures addressed to “Enterprises in Recovery”, relating to the suspension and extension of loans to small and medium-sized enterprises, provided for in the 2015 Credit Agreement (the “**2019 Italian Credit Agreement**”). Additional measures connected with the COVID-19 outbreak were introduced on 6 March 2020 and 22 May 2020 through an addendum to the 2019 Italian Credit Agreement in order to extend the provisions contained therein to facilities outstanding as of 31 January 2020 granted in favour of otherwise sound companies negatively impacted by a temporary interruption/reduction of activity as a consequence of COVID-19. Prospective investors’ attention is drawn to the fact that the potential effects of the suspension schemes and the impact thereof on the amortisation and prepayment profile of the Cover Pool cannot be predicted by the Issuer as at the date of this Base Prospectus.

Renegotiations of floating rate Mortgage Loans

Law Decree No. 93 of 27 May 2008 (“**Law Decree 93**”), converted into law No. 126 of 24 July 2008 (“**Law 126**”) which came into force on 29 May 2008, regulates the renegotiation of floating rate mortgage loans granted for the purposes of purchasing, building or refurbishing real estate assets used as main houses.

According to Law 126, the *Ministero dell’Economia e delle Finanze* (Minister of Economy and Finance) and the ABI entered into a convention providing for the procedures for the renegotiation of such floating rate mortgage loans (the “**Convention**”).

The Convention applies to floating rate mortgage loan agreements entered into or taken over (*accolati*), also further to the parcelling (*frazionamento*) of the relevant mortgages, before 29 May 2008. Pursuant to the Convention, the instalments payable by a borrower under any of such mortgage loan agreements will be recalculated applying (a) a fixed interest rate (equal to the average of the floating rate interest rates applied under the relevant mortgage loan agreement during 2006) on the initial principal amount and for the original final maturity date of the relevant mortgage loan, or (b) if the mortgage loan has been entered into, renegotiated or taken over (*accolato*) after 31 December 2006, the parameters used for the calculation of the first instalment

due after the date on which the mortgage loan has been entered into, renegotiated or taken over (*accollato*). The difference between the amount to be paid by the borrower as a result of such recalculation and the amount that the borrower would have paid on the basis of the original instalment plan will be (a) if negative, debited to a bank account on which interest will accrue in favour of the lender at the lower of (i) the rate equal to 10 (ten) IRS (interest rate swap) plus a spread of 0.50, and (ii) the rate applicable pursuant to the relevant mortgage loan, each of them calculated, in a fixed amount, on the renegotiation date, or (b) if positive, credited to such bank account. After the original final maturity date of the mortgage loan, the outstanding debt on the bank account will be repaid by the borrower through constant instalments equal to the ones resulting from the renegotiation, and the amortisation plan will be determined on the basis of the lower of (a) the rate applicable on the bank account, and (ii) the rate applicable pursuant to the relevant mortgage loan, as calculated, in a fixed amount, on the original final maturity date of the mortgage loan.

The legislation referred to in each subparagraph under section “*Mortgage borrower protection*” above constitutes an adverse effect on the Cover Pool and, in particular, on any cash flow projections concerning the Cover Pool as well as on the over-collateralisation required. However, as this legislation is relatively new, as at the date of this Base Prospectus, the Issuer is not in a position to predict its impact.

Mortgage Credit Directive

Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (the “**Mortgage Credit Directive**”) sets out a common framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property. The Mortgage Credit Directive provides for, amongst other things:

- standard information in advertising, and standard pre-contractual information;
- adequate explanations to the borrower on the proposed credit agreement and any ancillary service;
- calculation of the annual percentage rate of charge in accordance with a prescribed formula;
- assessment of creditworthiness of the borrower;
- a right of the borrower to make early repayment of the credit agreement; and
- prudential and supervisory requirements for credit intermediaries and non-bank lenders.

The Mortgage Credit Directive came into effect on 20 March 2014 and is required to be implemented in Member States by 21 March 2016.

On 1 June 2015, in accordance with Article 18, Article 20(1) and Article 28 of the Mortgage Credit Directive, the EBA published its final Guidelines on creditworthiness assessment, as well as its final Guidelines on arrears and foreclosure, that support the national implementation by Member States of the Mortgage Credit Directive.

In Italy the Government has approved the Legislative Decree no. 72 of 21 April 2016, implementing the Mortgage Credit Directive and published on the Official Gazette of the Republic of Italy on 20 May 2016 (the “**Mortgage Legislative Decree**”).

The Mortgage Legislative Decree clarifies that the new legal framework shall apply, inter alia, to (i) residential mortgage loans and (ii) loans relating to the purchase or preservation of the property rights on a residential immovable.

Moreover such decree sets forth certain rules of correctness, diligence and transparency and information undertakings applicable to the lenders and intermediaries which offer loans to the consumers and provides that without prejudice to article 2744 of Italian civil code, the parties may expressly agree in a specific clause at the closing of a loan agreements that in case of breach of the borrower's payment obligations under the agreement (i.e. non- payment of an amount equal to eighteen loan instalments due and payable by the debtor) the transfer or the sale of the mortgaged assets has as a consequence that the entire debt is settled even if the value of the assets or the proceeds deriving from the sale of the assets is lower than the remaining amount due by the debtor in relation to the loan. Otherwise if the estimated value of the assets or the proceeds deriving from the sale of the assets is higher than the remaining amount due by the debtor, the excess amount shall be returned to the consumer.

The provisions introduced by the Mortgage Legislative Decree allow the automatic transfer of the property subject to security from the debtor to the relevant creditor in discharge of all the relevant outstanding obligations. Provided that certain risks may arise from the management by the creditor of the relevant property, such new legislation is expected to facilitate the recovery of the relevant claims.

On 29 September 2016, the Ministry of Economy and Finance – Chairman of CICR (*Comitato Interministeriale per il Credito e il Risparmio*) issued decree no. 380 (the “**Decree 380**”) which implemented Chapter 1-bis of Title VI of the Consolidated Banking Act, with the view to creating a transparent and efficient market for consumer mortgage credit and providing an adequate level of protection to consumers. Further to Decree 380, on 30 September 2016, the Bank of Italy has amended the supervisory regulations on transparency and correctness in the relationships between intermediaries and clients (*disposizioni di vigilanza in materia di trasparenza delle operazioni e dei servizi bancari e finanziari; correttezza delle relazioni tra intermediari e clienti*) of 29 July 2009, as subsequently amended, in order to implement the transparency provisions of laid down by the Mortgage Credit Directive and by the Mortgage Credit Legislative Decree.

Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Base Prospectus.

No assurance can be given that the implementation of the Mortgage Legislative Decree will not adversely affect the ability of the Guarantor to make payments under the Covered Bond Guarantee.

6. Risks related to the Guarantor and the Covered Bond Guarantee

Guarantor only obliged to pay Guaranteed Amounts when they are due for payment

The Guarantor has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default. Following service of an Issuer Default Notice on the Issuer and the Guarantor, under the terms of the Covered Bond Guarantee the Guarantor will only be obliged to pay Guaranteed Amounts as and when the same are due for payment on each Interest Payment Date, *provided that*, in the case of any amounts representing the Final Redemption Amount due and remaining unpaid as at the original Maturity Date, the Guarantor may pay such amounts on any Interest Payment Date thereafter, up to (and including) the Extended Maturity Date and in the case of Covered Bonds whose principal is payable in instalments, the Guarantor may defer such instalments for a period of one year until the relevant Extended Instalment Date. Such Guaranteed Amounts will be paid subject to and in accordance with the Guarantee Priority of Payments or the Post-Enforcement Priority of Payments. In these circumstances the Guarantor will not be obliged to pay any other amounts in respect of the Covered Bonds which become payable for any other reason.

Subject to any grace period, if the Guarantor fails to make a payment when due for payment under the Covered Bond Guarantee or any other Guarantor Event of Default occurs, then the Representative of the Covered Bondholders will accelerate the obligations of the Guarantor under the Covered Bond Guarantee by service of a Guarantor Default Notice, whereupon the Representative of the Covered Bondholders will have a claim under the Covered Bond Guarantee for an amount equal to the Early Termination Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds. Following service of a Guarantor Default Notice, the amounts due from the Guarantor shall be applied by the Representative of the Covered Bondholders in accordance with the Post-Enforcement Priority of Payments, and Covered Bondholders will receive amounts from the Guarantor on an accelerated basis. If a Guarantor Default Notice is served on the Guarantor then the Covered Bonds may be repaid sooner or later than expected or not at all.

Limited resources available to the Guarantor

The Guarantor's ability to meet its obligations under the Covered Bond Guarantee will depend on (a) the amount of interest and principal generated by the Portfolio and/or the Eligible Investments and the timing thereof and (b) amounts received from any Swap Provider. The Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If a Guarantor Event of Default occurs and the Covered Bond Guarantee is enforced, the proceeds of enforcement may not be sufficient to meet the claims of all the secured creditors, including the Covered Bondholders. If, following enforcement and realisation of the assets in the Cover Pool, creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, then they may still have an unsecured claim against the Issuer for the shortfall.

Covered Bondholders should note that the Nominal Value Test and the Amortisation Test have been structured to ensure that the Nominal Value of the Portfolio and the Amortisation Test Aggregate Loan Amount, as applicable, shall be greater than or equal to the Outstanding Principal Amount of the issued Covered Bonds. In addition, the Decree 310 provide for certain further tests aimed at ensuring that (a) the net present value of the Portfolio (net of certain costs) shall be greater than or equal to the net present value of the Covered Bonds; and (b) the amount of interest and other revenues generated by the Portfolio (net of certain costs) shall be greater than or equal to the interest and costs due by the Issuer under the Covered Bonds.

There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

Reliance of the Guarantor on third parties

The Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the Guarantor. In particular, but without limitation, the Master Servicer and the Servicers have been appointed to service Portfolios sold to the Guarantor and the Test Calculation Agent has been appointed to calculate and monitor compliance with the Statutory Tests and the Amortisation Test. In the event that any of these parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Cover Pool or any part thereof or pending such realisation (if the Cover Pool or any part thereof cannot be sold) the ability of the Guarantor to make payments under the Covered Bond Guarantee may be affected. For instance, if the Master Servicer and/or the Servicers have failed to administer the Mortgage Loans adequately, this may lead to higher incidences of non-payment or default by Debtors. The Guarantor may also be reliant on the Swap Providers, if any, to provide it with the funds matching its obligations under the Covered Bond Guarantee, as described below.

The Guarantor has undertaken to use reasonable endeavors to appoint a back-up servicer within 45 days from the date on which the Master Servicer's long-term rating has been downgraded below the rating levels indicated in the Master Servicing Agreement.

In the event that the long-term unsecured and unsubordinated debt obligations of the Master Servicer falls below the rating levels indicated in the Master Servicing Agreement, (i) the Master Servicer shall immediately communicate such event to the Guarantor, (ii) each Servicer shall immediately communicate such event to the Guarantor, and (iii) the Guarantor and the Representative of the Covered Bondholders shall promptly identify one or more Back-up Servicers meeting the requirements provided for such appointment.

If a servicer termination event occurs pursuant to the terms of the Master Servicing Agreement, then the Guarantor and/or the Representative of the Covered Bondholders will be entitled to terminate the appointment of the Master Servicer and/or the Servicers and appoint a Substitute Servicer in its place. There can be no assurance that a Substitute Servicer with sufficient experience of administering mortgages of residential and commercial properties would be found who would be willing and able to service the Mortgage Loans on the terms of the Master Servicing Agreement. The ability of Substitute Servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a Substitute Servicer may affect the realisable value of the Cover Pool or any part thereof, and/or the ability of the Guarantor to make payments under the Covered Bond Guarantee.

The Servicer does not have any obligation to advance payments if the Debtors fail to make any payments in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Master Servicer and/or the Servicers under the Master Servicing Agreement.

The Representative of the Covered Bondholders is not obliged in any circumstances to act as the Master Servicer and/or the Servicers or to monitor the performance by the Master Servicer and/or the Servicers of its obligations.

Reliance on the Swap Provider

To hedge against possible variations in the performance of the indexations in the Portfolio and the relevant benchmark rate with a certain designated maturity, the Guarantor may enter into one or more Swap Agreement with one or more Swap Provider.

If the Guarantor fails to make timely payments of amounts due under any Swap Agreement that may be entered into, then it will (unless otherwise stated in the relevant Swap Agreement) have defaulted under that Swap Agreement. A Swap Provider, unless otherwise stated in the relevant Swap Agreement, is only obliged to make payments to the Guarantor as long as the Guarantor complies with its payment obligations under the relevant Swap Agreement.

In circumstances where non-payment by the Guarantor under a Swap Agreement does not result in a default under that Swap Agreement, the Swap Provider may be obliged to make payments to the Guarantor pursuant to the Swap Agreement as if payment had been made by the Guarantor. Any amounts not paid by the Guarantor to a Swap Provider may in such circumstances incur additional amounts of interest by the Guarantor, which would rank senior to the amounts due on the Covered Bonds.

If the Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Guarantor on the payment date under the Swap Agreement, the Guarantor may be exposed to changes in the relevant currency exchange rates to Euro and to any changes in the relevant rates of interest. In addition, subject to the then current ratings (if any) of the

Covered Bonds not being adversely affected, the Guarantor may hedge only part of the possible risk and, in such circumstances, may have insufficient funds to make payments under the Covered Bonds or the Covered Bond Guarantee.

If a Swap Agreement terminates, then the Guarantor may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the Guarantor will have sufficient funds available to make such termination payment, nor can there be any assurance that the Guarantor will be able to enter into a replacement swap agreement with an adequately rated counterparty. In addition the Swap Agreement may provide that notwithstanding the downgrading of a Swap Agreement and the failure by such Swap Agreement to take the remedial action set out in the relevant Swap Agreement, the Guarantor may not terminate the Swap Agreement until a replacement swap provider has been found. There can be no assurance that the Guarantor will be able to enter into a replacement swap agreement with a replacement swap counterparty with the required ratings.

If the Guarantor is obliged to pay a termination payment under any Swap Agreement, such termination payment will, following the service of an Issuer Default Notice, rank *pari passu* and *pro rata* with amounts due to Covered Bondholders under the Covered Bond Guarantee.

Following the service of an Issuer Default Notice, payments by the Guarantor under the Swap Agreement, including any termination payment due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party, will rank *pari passu* and *pro rata* to amounts due on the Covered Bonds under the Covered Bond Guarantee. Accordingly, the obligation to pay a termination payment may adversely affect the ability of the Guarantor to meet their respective obligations under the Covered Bonds or the Covered Bond Guarantee.

No gross up on withholding tax

In respect of payments made by the Guarantor under the Covered Bond Guarantee, to the extent that the Guarantor is required by law to withhold or deduct any present or future taxes of any kind imposed or levied by or on behalf of the Republic of Italy from such payments, the Guarantor will not be under an obligation to pay any additional amounts to Covered Bondholders, irrespective of whether such withholding or deduction arises from existing legislation or its application or interpretation as at the relevant Issue Date or from changes in such legislation, application or official interpretation after the Issue Date.

Extendible obligations under the Covered Bond Guarantee

Upon failure by the Issuer to pay the Final Redemption Amount of a Series of Covered Bonds on their relevant Maturity Date (subject to applicable grace periods) and if payment of the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of the Covered Bonds is not made in full by the Guarantor on or before the Extension Determination Date, then payment of such Guaranteed Amounts shall be automatically deferred. This will occur if the Final Terms for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an extended maturity date (the "**Extended Maturity Date**") to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on or before the Extension Determination Date.

To the extent that the Guarantor has received an Issuer Default Notice in sufficient time and has sufficient moneys available to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series of Covered Bonds, the Guarantor shall make partial payment of the relevant Final Redemption Amount in accordance with the Guarantee Priority of Payments and as described in

Conditions 9(b) (*Extension of maturity*) and 12(b) (*Effect of an Issuer Default Notice*). Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date *provided that* any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date may be paid by the Guarantor on any Interest Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 9(b) (*Extension of maturity*) and the Guarantor will pay Guaranteed Amounts, constituting interest due on each Interest Payment Date and on the Extended Maturity Date. In these circumstances, failure by the Issuer to pay the Covered Bond Instalment Amount on its Covered Bond Instalment Date will (subject to any applicable grace period) be an Issuer Event of Default. Failure by the Guarantor to pay the deferred Covered Bond Instalment Amount on the related Extended Instalment Date will (subject to any applicable grace period) be a Guarantor Event of Default.

Similarly, in respect of Covered Bonds that may be redeemed in instalments, if an Extended Instalment Date is specified in the Final Terms and both (a) the Issuer on the Covered Bond Instalment Date and (b) the Guarantor on the relevant Instalment Extension Determination Date fail to pay a Covered Bond Instalment Amount, the requirement to pay such Covered Bond Instalment Amount and all subsequently due and payable Covered Bond Instalment Amounts shall be deferred by one year until their Extended Instalment Dates.

Each Covered Bond Instalment Amount may be deferred when due no more than once. At such time, each subsequent but not yet due Covered Bond Instalment Amount will also be deferred, so it is possible that a Covered Bond Instalment Amount may be deferred more than once but it may never be deferred to a date falling after the Extended Maturity Date for the relevant Series.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Bonds 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 Covered Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency equivalent market value of the Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

7. Risks related to the offer to the public and admission of the Covered Bonds to trading on a regulated market

Limited secondary market

There is, at present, a secondary market for the Covered Bonds but it is neither active nor liquid, and there can be no assurance that an active or liquid secondary market for the Covered Bonds will develop. The Covered Bonds have not been, and will not be, offered to any persons or entities in the United States of America or registered under any securities laws and are subject to certain restrictions on the resale and other transfers thereof as set forth under section entitled "*Subscription and Sale*". If an active or liquid secondary market develops, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a Covered Bondholder may not be able to find a buyer to buy

its Covered Bonds readily or at prices that will enable the Covered Bondholder to realise a desired yield. Illiquidity may have a severely adverse effect on the market value of Covered Bonds. In addition, Covered Bonds issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Covered Bonds may be adversely affected. In an illiquid market, an investor might not be able to sell its Covered Bonds at any time at fair market prices. The possibility to sell the Covered Bonds might additionally be restricted by country specific reasons.

The Covered Bonds may not be a suitable investment for all investors

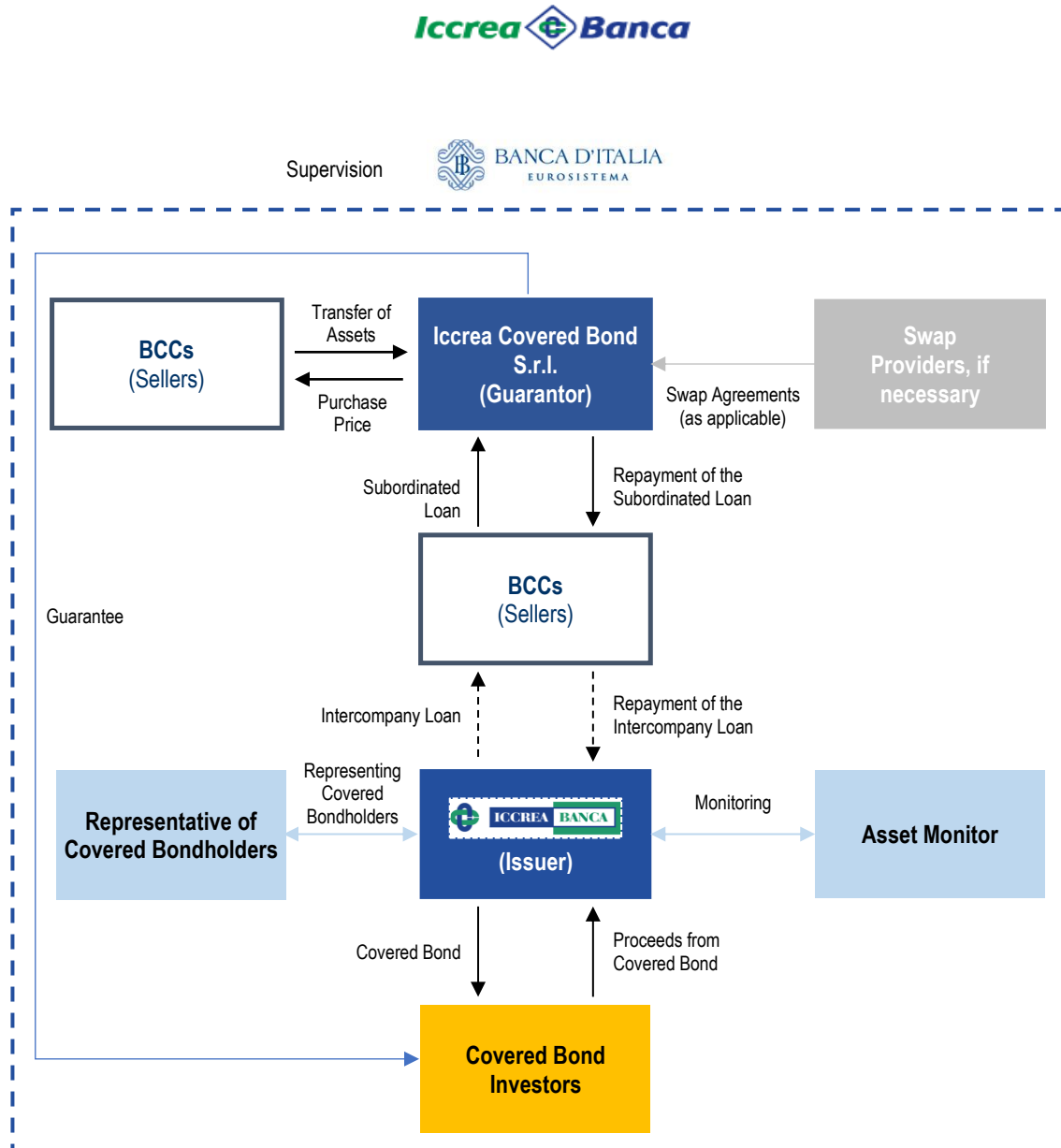
Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

Some Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

OVERVIEW OF THE PROGRAMME

This section constitutes an overview of the structure relating to 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 Covered Bonds, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this overview.



INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the documents incorporated by reference, described below, which form part of this Base Prospectus:

- the audited separate and consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2020 (available at the following link https://www.iccreabanca.it/DocumentiBilancio/Financial/Relazione%20e%20bilancio%20consolidato%20e%20individuale%20al%2031%20dicembre_EN.pdf);
- the audited separate and consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2019 (available at the following link https://www.iccreabanca.it/DocumentiBilancio/Financial/Reports%20and%20consolidated%20and%20separate%20financial%20statements%20at%20December%2031,%202019_def.pdf);
- the audited annual financial statements of the Guarantor as at and for the year ended 31 December 2020 (available at the following link https://www.iccreabanca.it/BilanciSPV/2020/Iccrea%20CB_Financial%20Statements%202020.pdf);
- the audited annual financial statements of the Guarantor as at and for the year ended 31 December 2019 (available at the following link https://www.iccreabanca.it/BilanciSPV/2019/Iccrea%20CB_Financial%20Statements%202019.pdf);
- the Issuer's press release headed "*Iccrea Cooperative Banking Group successfully passed ECB Comprehensive Assessment*" dated 9 July 2021 (available at the following link www.gruppoiccrea.it/Documenti_GBI/ComunicatoStampa/Press%20Release%20Comp%20Assess_09_07_21.pdf);

save that any statement contained in the documents incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this Base Prospectus.

The audited consolidated and separate annual financial statements of the Issuer as at and for the years ended 31 December 2020 and 31 December 2019 have been prepared in accordance with IFRS, as adopted by the EU and shall be deemed to be incorporated in, and to form part of, this Base Prospectus, together (where applicable) with the accompanying notes and auditor's reports or the auditor's review reports as the case may be, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with article 23 of the Prospectus Regulation modifies or supersedes such statement.

Any information contained in or incorporated by reference in any of the documents specified above which is not included in the cross-reference list below in this Base Prospectus is not incorporated by reference and is either not relevant to investors or is covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

The Issuer will, at the specified offices of the Paying Agent, provide, free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or oral requests for such documents should be directed to the specified office of any of the Paying Agents or to the specified office of the Listing Agent in Luxembourg. In addition such documents will be available, without charge, on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Cross-reference lists

The following tables shows where the information required under article 19(2) of the Prospectus Regulation can be found in the above-mentioned documents incorporated by reference in this Base Prospectus.

Audited Consolidated and Separate Annual Financial Statements of the Issuer		
	2020	2019
Consolidated balance sheet	139-140	127-128
Consolidated income statement	141	129
Statement of consolidated comprehensive income	142	130
Statement of changes in consolidated shareholders' equity	143-144	131-132
Statement of changes in consolidated cash flows	145	133-134
Notes to the consolidated financial statements	147-394	135-390
Independent Auditor's report	421-428	413-419
Balance Sheet	443-444	433-434
Income Statement	445	435
Statement of Comprehensive Income	446	436
Statement of changes in shareholders' equity	447-448	437-438
Statement of cash flows	449	439
Notes to the financial statements	451-668	445-651
Independent Auditor's report	669- 667	655- 661

Audited Annual Financial Statements of the Guarantor		
	2020	2019
Balance Sheet	1	1
Income Statement	3	3
Notes to the financial statements	4	4
Independent Auditor's report	6	5

Press release dated 9 July 2021

The Issuer's press release headed "*Iccrea Cooperative Banking Group successfully passed ECB Comprehensive Assessment*" dated 9 July 2021 is incorporated by reference in its entirety.

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions of the Covered Bonds (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "**holder**" of Covered Bonds and to the "**Covered Bondholders**" are to the ultimate owners of the Covered Bonds. The Covered Bonds will be held by Monte Titoli (as defined below) on behalf of the Covered Bondholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. The Covered Bonds will at all times be in book entry form and title to the bonds be evidenced by book entries with Monte Titoli in accordance with (i) the provisions of Article 83-bis et seq. of the Financial Law and the relevant implementing regulations and (ii) the regulation issued by the Bank of Italy and the Commissione Nazionale per le Società e la Borsa on 13 August 2018, as subsequently amended and supplemented.*

The Covered Bondholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Covered Bondholders attached to, and forming part of, these Conditions. In addition, the applicable Final Terms in relation to any Tranche of Covered Bonds may specify issue-specific details not known on the date of approval which shall, to the extent so specified or to the extent inconsistent with the Conditions, complete the Conditions for the purpose of such Tranche.

1. Introduction

(a) Programme

Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo (the "**Issuer**") has established a Covered Bond Programme (the "**Programme**") for the issuance of up to Euro 10,000,000,000 in aggregate principal amount of covered bonds (the "**Covered Bonds**") guaranteed by Iccrea Covered Bond S.r.l. (the "**Guarantor**"). Covered Bonds are issued pursuant to Article 7-bis of Law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "**Law 130**"), Ministerial Decree No. 310 of the Ministry for the Economy and Finance of 14 December 2006, as amended and supplemented from time to time (the "**Decree 310**") and the supervisory guidelines of the Bank of Italy set out in Part III, Chapter 3 of the "*Disposizioni di vigilanza per le banche*" (Circolare No. 285 of 17 December 2013), as replaced, amended and supplemented from time to time (the "**Bank of Italy Regulations**").

(b) Final Terms

Covered Bonds are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Covered Bonds. Each Tranche is the subject of final terms (the "**Final Terms**") which complete these Conditions. The terms and conditions applicable to any particular Tranche of Covered Bonds are these Conditions as completed by the relevant Final Terms.

(c) Covered Bond Guarantee

Each Series of Covered Bonds is the subject of a guarantee dated on or about 15 July 2021 (the "**Covered Bond Guarantee**") entered into by the Guarantor for the purpose of guaranteeing the payments due from the Issuer in respect of the Covered Bonds of all Series issued under the Programme and to the Other Creditors. The Covered Bond Guarantee will be collateralised by a cover pool constituted by certain assets assigned from time to time to the Guarantor pursuant to the Master Loans Purchase Agreement (as defined below) and in accordance with the provisions of the Law 130, Decree 310 and the Bank of Italy Regulations.

(d) Programme Agreement and Subscription Agreement

In respect of each Series or Tranche of Covered Bonds issued under the Programme, the Relevant Dealer(s) (as defined below) has or have agreed to subscribe for the Covered Bonds and pay the Issuer the issue price specified in the Final Terms for the Covered Bonds on the Issue Date under the terms of a programme agreement dated on or about 15 July 2021 (the "**Programme Agreement**") between the Issuer, the Guarantor, the Sellers, the Representative of the Covered Bondholders and the dealer(s) named therein (the "**Dealers**"), as supplemented (if applicable) by a subscription agreement entered into between the Issuer, the Guarantor and the

Relevant Dealer(s) (as defined below) on or around the date of the relevant Final Terms (the "**Subscription Agreement**"). In the Programme Agreement, the Dealers have appointed Banca Finanziaria Internazionale S.p.A. as representative of the Covered Bondholders (in such capacity, the "**Representative of the Covered Bondholders**"), as described in Condition 14 (*Representative of the Covered Bondholders*).

(e) ***Master Definitions Agreement***

In a master definitions agreement dated on or about 15 July 2021 (the "**Master Definitions Agreement**") between certain of the parties to each of the Transaction Documents (as defined below), the definitions of certain terms used in the Transaction Documents have been agreed.

(f) ***The Covered Bonds***

Except where stated otherwise, all subsequent references in these Conditions to "Covered Bonds" are to the Covered Bonds which are the subject of the relevant Final Terms, but all references to "each Series of Covered Bonds" are to (i) the Covered Bonds which are the subject of the relevant Final Terms and (ii) each other Tranche of Covered Bonds issued under the Programme which remains outstanding from time to time.

The Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Amortising Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The Covered Bonds may be repayable in one or more instalments, depending on the Redemption/Payment Basis shown in the applicable Final Terms. Each Series shall be comprised of Fixed Rate Covered Bonds only or Floating Rate Covered Bonds only or Zero Coupon Covered Bonds only or such other Covered Bonds accruing interest on such other basis and at such other rate as may be so specified in the relevant Final Terms only.

(g) ***Rules of the Organisation of the Covered Bondholders***

The Rules of the Organisation of the Covered Bondholders are attached to, and form an integral part of, these Conditions. References in these Conditions to the "Rules of the Organisation of the Covered Bondholders" include such rules as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

(h) ***Summaries***

Certain provisions of these Conditions are summaries of the Transaction Documents and are subject to their detailed provisions. Covered Bondholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents and the Rules of the Organisation of the Covered Bondholders applicable to them. Copies of the Transaction Documents are available for inspection by the Covered Bondholders during normal business hours at the registered office of the Representative of the Covered Bondholders from time to time and, where applicable, at the Specified Offices of the Principal Paying Agent (as defined below).

2. Definitions and Interpretation

In case of any conflict between the definition of any term included in these Conditions and the definition of same term set out in the Master Definitions Agreement, the definition set out under these Conditions shall prevail.

(a) ***Definitions***

Unless defined under Condition 1 (*Introduction*) above, in these Conditions the following expressions have the following meanings:

"**Accounts**" means, collectively, the Expenses Account, the Transitory Collection Accounts, the Collection Account, the Cash Reserve Account, the Investment Account, the Payments Account, the Quota Capital

Account, the Swap Collateral Accounts (if any), the Securities Account (if any) and any other account opened from time to time in connection with the Programme.

"**Account Bank**" means BNP Paribas Securities Services, Milan Branch, acting in its capacity as account bank, or any other depositary institution that may be appointed as such pursuant to the Cash Allocation Management and Payments Agreement;

"**Accrual Yield**" has the meaning ascribed to such term in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Amortisation Test**" means the test which will be carried out pursuant to the terms of the Cover Pool Management Agreement in order to ensure, *inter alia*, that, on each Test Calculation Date following the delivery of an Issuer Default Notice (but prior to the service of a Guarantor Default Notice), the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the aggregate Outstanding Principal Amount of each Series of Covered Bonds as calculated on the relevant Test Calculation Date;

"**Amortisation Test Aggregate Loan Amount**" has the meaning ascribed to such term in clause 3.2 (*Amortisation Test Aggregate Loan Amount*) of the Cover Pool Management Agreement;

"**Amortising Covered Bonds**" means a Covered Bond specified as such in the relevant Final Terms.

"**Arrangers**" means Barclays Bank Ireland PLC and Iccrea Banca.

"**Article 74 Event**" means, in respect of the Issuer, the issue of a resolution pursuant to Article 74 of the Consolidated Banking Act.

"**Article 74 Event Cure Notice**" means the notice to be served by the Representative of the Covered Bondholders to the Issuer, the Guarantor and the Asset Monitor informing that an Article 74 Event has been revoked.

"**Asset Monitor**" means Deloitte & Touche S.p.A., acting as such pursuant to the engagement letter entered into with the Issuer on or about 15 July 2021 and the Asset Monitor Agreement, as amended and restated from time to time;

"**Asset Monitor Agreement**" means the asset monitor agreement entered into on or about 15 July 2021 between, *inter alios*, the Asset Monitor and the Issuer, as amended and restated from time to time;

"**Asset Swap Agreement**" means any swap or other hedging agreements, if any, aimed at hedging the interest rate risk and/or if applicable the currency risk related to each Portfolio, that may be entered into between the Guarantor and the relevant Asset Swap Provider on or about each Transfer Date, as amended and restated from time to time.

"**Asset Swap Provider**" means any entity acting as asset swap provider to the Guarantor under an Asset Swap Agreement;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention" in relation to any particular date, has the meaning ascribed to such term in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought back to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Amount" has the meaning ascribed to such term in the relevant Final Terms;

"Cash Allocation Management and Payments Agreement" means the cash allocation management and payments agreement entered into on or about 15 July 2021 between, *inter alios*, the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Guarantor Calculation Agent, the Test Calculation Agent, the Operating Bank and the Account Bank, as amended and restated from time to time;

"Cash Reserve Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT52H0347901600000802443102) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement;

"Cash Reserve Amount" means (a) an amount, determined on or prior to each Guarantor Calculation Date, sufficient to ensure that the Guarantor would have sufficient funds set aside and readily available to pay in the immediately following six months starting from the relevant Guarantor Payment Date (i) interest amounts due in relation to all outstanding series of Covered Bonds, plus (ii) all costs and expenses ranking under items (i) to

(iii) of the Pre-Issuer Event of Default Interest Priority of Payments; or (b) any other higher amount that may be required by the relevant implementing provisions of EU Directive on Covered Bonds and communicated by the Issuer to the Guarantor Calculation Agent before each relevant Guarantor Calculation Date.

"**Clearstream**" means Clearstream S.A.;

"**Collection Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank into which all the Collections will be transferred from the Transitory Collection Accounts;

"**Collection Period**" means each quarterly period starting on the first day (included) of January, April, July and October and ending on the last day (included) of March, June, September and December;

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*;

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1993, as amended from time to time;

"**Corporate Services Agreement**" means the corporate services agreement entered into on or about 15 July 2021 between the Guarantor Corporate Servicer and the Guarantor, pursuant to which the Guarantor Corporate Servicer will provide certain administration services to the Guarantor, as amended and restated from time to time;

"**Cover Pool Management Agreement**" means the cover pool management agreement entered into on or about 15 July 2021 between the Issuer, the Guarantor, the Sellers, the Representative of the Covered Bondholders, the Test Calculation Agent and the Asset Monitor, as amended and restated from time to time;

"**Covered Bondholders**" means the holders from time to time of Covered Bonds, title to which is evidenced in the manner described in Condition 3 (*Form, Denomination and Title*);

"**Covered Bond Instalment Amount**" means the principal amount of a Series of Covered Bonds to be redeemed on a Covered Bond Instalment Date as specified in the relevant Final Terms;

"**Covered Bond Instalment Date**" means a date on which a principal instalment is due on a Series of Covered Bonds as specified in the relevant Final Terms;

"**Covered Bond Instalment Extension Determination Date**" means, with respect to any Covered Bond Instalment Date (if applicable), the date falling 15 Business Days after such Covered Bond Instalment Date;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (c) If "**Actual/365 (Fixed)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (d) If "**Actual/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) If "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made 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 Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (f) If "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made 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 Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 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 Calculation Period, unless such number would be 31, in which case D₂ will be 30.

- (g) If "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made 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 Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 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 Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Decree 239**" means Italian Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time;

"**Deed of Charge**" means the English law deed of charge which may be entered into between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors) in order to charge the rights arising under any Swap Collateral Accounts (if any) in favour of the Covered Bondholders and the Other Creditors, as amended and restated from time to time;

"Deed of Pledge" means the Italian law deed of pledge entered into on or about 15 July 2021 between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors), as amended and restated from time to time;

"Early Redemption Amount" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Termination Amount" means, in respect of any Series of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Eligible Assets" means collectively the Receivables and the Public Entity Securities.

"Euroclear" means Euroclear Bank S.A./N.V.;

"Excess Proceeds" means the amounts received by the Guarantor as a result of any enforcement taken *vis-à-vis* the Issuer also in accordance with Article 4, Paragraph 3, of the Decree 310.

"Expenses Account" means the Euro denominated account established in the name of the Guarantor with the Operating Bank, with IBAN: IT22A0800003200000800031344, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement;

"Extended Instalment Date" means the date on which a principal instalment in relation to a Series of Covered Bonds becomes due and payable pursuant to the extension of the relevant Covered Bond Instalment Date as specified in the relevant Final Terms;

"Extended Maturity Date" means, in relation to any Series of Covered Bonds, the date (if any) specified as such in the relevant Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred pursuant to Condition 9(b) (*Extension of maturity*).

"Extension Determination Date" means, with respect to any Series of Covered Bonds, the date falling 7 (seven) Business Days after (and including) the Maturity Date of such Series of Covered Bonds;

"Extraordinary Resolution" has the meaning ascribed to such term in the Rules of the Organisation of the Covered Bondholders attached to these Conditions;

"Final Redemption Amount" means, with respect to a Series or Tranche of Covered Bonds, the amount, as specified in the applicable Final Terms, representing the amount due (subject to the applicable grace period) in respect of the relevant Series or Tranche of Covered Bond;

"Financial Law" means Legislative Decree number 58 of 24 February 1998 as amended from time to time.

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"Fixed Coupon Amount" has the meaning ascribed to such term in the relevant Final Terms;

"Fixed Rate Covered Bond" means a Covered Bond specified as such in the relevant Final Terms;

"Floating Rate Covered Bond" means a Covered Bond specified as such in the relevant Final Terms;

"Guaranteed Amounts" means the amounts due from time to time from the Issuer to (i) the Covered Bondholders with respect to each Series of Covered Bonds (excluding any additional amounts payable to the Covered Bondholders under Condition 11(a) (*Gross-up by Issuer*)) and (ii) the Other Creditors pursuant to the relevant Transaction Documents;

"Guarantor Available Funds" means, collectively, the Interest Available Funds and the Principal Available Funds.

"Guarantor Calculation Agent" means Banca Finanziaria Internazionale S.p.A., acting as guarantor calculation agent, or any such other entity as may be appointed pursuant to the Cash Allocation, Management and Payments Agreement;

"Guarantor Calculation Date" means the 3rd (third) calendar day of May, August, November and February (or, if such day is not a Business Day, then the immediately preceding Business Day);

"Guarantor Corporate Servicer" means Banca Finanziaria Internazionale S.p.A., acting in its capacity as guarantor corporate servicer of the Guarantor pursuant to the Corporate Services Agreement;

"Guarantor Default Notice" means the notice to be delivered by the Representative of the Covered Bondholders to the Guarantor upon the occurrence of a Guarantor Event of Default;

"Guarantor Event of Default" has the meaning given to it in Condition 12(c) (*Guarantor Events of Default*);

"Guarantor Payment Date" means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 6th calendar day of May, August, November and February of each year or, if such day is not a Business Day, the immediately following Business Day; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Covered Bondholders in accordance with the Post-Enforcement Priority of Payments, the relevant Final Terms and the Intercreditor Agreement; the first Guarantor Payment Date will fall on 8 November 2021.

"Insolvency Event" means, in respect of any company, entity, or corporation that:

- (i) such company, entity or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordi di ristrutturazione*" and (other than in respect of the Issuer) "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such application is not being disputed in good faith with a reasonable prospect of success; or
- (iii) such company, entity or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or

- (iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company, entity or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganization or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders); or
- (v) such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business;

"Integration Assets" means, in accordance with article 2, sub-paragraph 3.2 and 3.3 of Decree 310, each of the following assets:

- (i) deposits held with banks which (a) have their registered office in the European Economic Area or Switzerland or in a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach and (b) qualify as Eligible Institutions; and
- (ii) securities issued by the banks indicated in item (i) above, which have a residual maturity not exceeding one year.

"Intercreditor Agreement" means the intercreditor agreement entered into on or about 15 July 2021 between, *inter alios*, the Guarantor and the Other Creditors, as amended and restated from time to time;

"Interest Amount" means, in relation to any Series of Covered Bonds and an Interest Period, the amount of interest payable in respect of that Series for that Interest Period;

"Interest Available Funds" means, in respect of any Guarantor Calculation Date, the aggregate of:

- (a) interest collected by the Master Servicer or the Servicers in respect of the Cover Pool and credited into the Collection Account, during the immediately preceding Collection Period;
- (b) all recoveries in the nature of interest received by the Master Servicer or the Servicers and credited to the Collection Account, during the immediately preceding Collection Period;
- (c) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;
- (d) any payment received on or immediately prior to such Guarantor Payment Date from any Swap Provider, if any, other than any Swap Collateral Excluded Amounts;
- (e) all interest amounts received from any Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (f) the Cash Reserve Amount standing to the credit of the Cash Reserve Account;
- (g) all amounts on account of interest, premium or other profit deriving from the Eligible Investments up to the Eligible Investments Maturity Date immediately preceding the relevant Guarantor Payment Date; and
- (h) any amount (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Transaction Documents.

"Interest Basis" has the meaning ascribed to such term in the relevant Final Terms.

"Interest Commencement Date" means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning ascribed to such term in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Investment Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT98F0347901600000802443100) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement;

"ISDA Definitions" means the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning ascribed to such term in the relevant Final Terms;

"Issuer Default Notice" means the notice to be delivered by the Representative of the Covered Bondholders to the Issuer and the Guarantor upon the occurrence of an Issuer Event of Default;

"Issuer Event of Default" has the meaning given to it in Condition 12(a) (*Issuer Events of Default*);

"Liability Swap Agreement" means any swap or other hedging agreements, if any, aimed at hedging certain interest rate and/or, if applicable, currency exposures in relation to the Guarantor's obligations under the Covered Bonds, that may be entered into between the Guarantor and the relevant Liability Swap Provider on or about each Issue Date, as amended and restated from time to time.

"Liability Swap Provider" means any entity acting as liability swap provider to the Guarantor pursuant to a Liability Swap Agreement;

"Loans" means any Mortgage Loan (as defined in the Master Definitions Agreement) which is sold and assigned by each Seller to the Guarantor from time to time under the terms of the Master Loans Purchase Agreement;

"Mandate Agreement" means the mandate agreement entered into on or about 15 July 2021 between the Representative of the Covered Bondholders and the Guarantor, as amended and restated from time to time;

"Margin" has the meaning ascribed to such term in the relevant Final Terms;

"Master Loans Purchase Agreement" means the master loans purchase agreement entered into between the Guarantor and the Sellers, as amended and restated from time to time;

"Master Servicer" means Iccrea Banca in its capacity as such pursuant to the Master Servicing Agreement;

"Master Servicing Agreement" means the master servicing agreement entered into on or about 28 June 2021 between the Guarantor, the Issuer, the Master Servicer and the Servicers, as amended and restated from time to time;

"Maturity Date" has the meaning ascribed to such term in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning ascribed to such term in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning ascribed to such term in the relevant Final Terms;

"Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (as *intermediari aderenti*) in accordance with Article 83-*quater* of the Financial Law;

"Official Gazette of the Republic of Italy" or **"Official Gazette"** means the *Gazzetta Ufficiale della Repubblica Italiana*;

"Operating Bank" means Iccrea Banca acting in its capacity as operating bank pursuant to the Cash, Allocation, Management and Payments Agreement or any such other depository institution as may be appointed in accordance with such Cash, Allocation, Management and Payments Agreement;

"Optional Redemption Amount (Call)" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning ascribed to such term in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning ascribed to such term in the relevant Final Terms;

"Organisation of the Covered Bondholders" means the association of the Covered Bondholders, organised pursuant to the Rules of the Organisation of the Covered Bondholders;

"Other Creditors" means the Sellers, the Master Servicer, the Servicers, the Representative of the Covered Bondholders, the Guarantor Calculation Agent, the Test Calculation Agent, the Guarantor Corporate Servicer, the Principal Paying Agent, the Account Bank, the Operating Bank, the Asset Monitor, the Swap Providers (if any), the Swap Collateral Account Bank, the Quotaholder Corporate Servicer and any other creditors which may, from time to time, be identified as such in the context of the Programme;

"Outstanding Principal Amount" means, on any date in respect of any Series of Covered Bonds or, where applicable, in respect of all Series of Covered Bonds:

- (i) the principal amount of such Series or, where applicable, all such Series upon issue; *minus*
- (ii) the aggregate amount of all principal which has been repaid prior to such date in respect of such Series or, where applicable, all such Series and, solely for the purposes of Title II (*Meetings of the Covered Bondholders*) of the Rules of the Organisation of Covered Bondholders, the principal amount of any Covered Bonds in such Series of (where applicable) all such Series held by, or by any Person for the benefit of, the Issuer or the Guarantor;

"Payment Business Day" means a day on which banks in the relevant Place of Payment are open for payment

of amounts due in respect of debt securities and for dealings in foreign currencies and any day which is:

- (i) if the currency of payment is Euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Payments Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT29I0347901600000802443103) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Place of Payment" means, in respect of any Covered Bondholders, the place at which such Covered Bondholder receives payment of interest or principal on the Covered Bonds;

"Principal Available Funds" means in respect of any Guarantor Calculation Date, the aggregate of:

- (a) all principal amounts collected by the Master Servicer or any Servicer in respect of the Cover Pool and credited to the Collection Account net of the amounts applied to purchase Eligible Assets and Integration Assets, during the immediately preceding Collection Period;
- (b) all other recoveries in the nature of principal received by the Master Servicer or any Servicer and credited to the Collection Account;
- (c) all principal amounts received from each Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (d) the proceeds of any disposal of Eligible Assets or Integration Assets;
- (e) any swap principal payable under the Swap Agreements, if any; and
- (f) all the amounts allocated pursuant to item *Sixth* of the Pre-Issuer Event of Default Interest Priority of Payments.

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent ; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent;

"Principal Paying Agent" means BNP Paribas Securities Services, Milan Branch, acting in its capacity as principal paying agent, or any such other entity as may be appointed pursuant to the Cash Allocation, Management and Payments Agreement;

"Priority of Payments" means each of the Pre-Issuer Event of Default Interest Priority of Payments, the Pre-Issuer Event of Default Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments, each as set out and defined in the Intercreditor Agreement;

"Programme Resolution" has the meaning given in the Rules of the Organisation of Covered Bondholders attached to these Conditions;

"Public Entity Securities" means pursuant to article 2, sub-paragraph 1, letter (c) of Decree 310, any securities issued by, or which have benefit of a guarantee eligible for credit risk mitigation granted by, Public Entities;

"Put Option Notice" means a notice in the form attached to the Cash Allocation Management and Payments Agreement which must be delivered to the Principal Paying Agent by any Covered Bondholder wanting to exercise a right to redeem Covered Bonds at the option of the Covered Bondholder;

"Put Option Receipt" means a receipt issued by the Principal Paying Agent to a depositing Covered Bondholder upon deposit of a Put Option Notice with the Principal Paying Agent by any Covered Bondholder wanting to exercise a right to redeem Covered Bonds at the option of the Covered Bondholder;

"Quota Capital" means the quota capital of the Guarantor, equal to Euro 10,000;

"Quota Capital Account" means the Euro denominated account established in the name of the Guarantor with the Operating Bank (IBAN: IT96B0800003200000800031345) for the deposit of the Quota Capital;

"Quotaholder Corporate Servicer" means Wilmington Trust SP Services (London) Limited;

"Quotaholder Corporate Services Agreement" means the agreement entered into on or about 15 July 2021, between the Quotaholder Corporate Servicer, the Quotaholders and the Guarantor, as amended and restated from time to time;

"Quotaholders' Agreement" means the agreement entered into on or about 15 July 2021 between Iccrea Banca and Stichting Campari as quotaholders of the Guarantor, the Representative of the Covered Bondholders and the Guarantor, as amended and restated from time to time;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Series of Covered Bonds specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and

- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Clearing System" means Euroclear and/or Clearstream, Luxembourg and/or any other clearing system (other than Monte Titoli) specified in the relevant Final Terms as a clearing system through which payments under the Covered Bonds may be made;

"Relevant Dealer(s)" means, in relation to a Series or Tranche, the Dealer(s) which is/are party to any agreement (whether oral or in writing) entered into with the Issuer and the Guarantor for the issue by the Issuer and the subscription by such Dealer(s) of such Series or Tranche pursuant to the Programme Agreement;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Security" means the security created pursuant to, respectively, the Deed of Pledge and the Deed of Charge;

"Securities Account" means the account that will be opened in the name of the Guarantor with the Account Bank, on which (a) all securities constituting Eligible Investments purchased by the Account Bank with the amounts standing to the credit of the Investment Account acting upon instructions of the Guarantor Calculation Agent (as directed by the Issuer), and (b) all Eligible Assets and Integration Assets consisting of securities, will be deposited in accordance with and subject to the conditions of the Cash Allocation Management and Payments Agreement;

"Seller" means any seller in its capacity as such pursuant to the Master Loans Purchase Agreement;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" means with respect to:

- (i) the Principal Paying Agent, at Piazza Lina Bo Bardi 3, Milan,
- (ii) the Guarantor Corporate Servicer, at Via V. Alfieri, 1 Conegliano (TV),
- (iii) the Guarantor Calculation Agent, at Via V. Alfieri, 1 Conegliano (TV);
- (iv) the Account Bank, at Piazza Lina Bo Bardi 3, Milan;
- (v) the Operating Bank and the Test Calculation Agent, at Via Lucrezia Romana, n. 41/47-00178 Rome.

"Specified Period" has the meaning given in the relevant Final Terms;

"Statutory Tests" means such tests provided for under article 3 of Decree 310 and namely: (i) the Nominal Value Test, (ii) the Net Present Value Test and (iii) the Interest Coverage Test, as further defined under clause 2 (*Statutory Test*) of the Cover Pool Management Agreement;

"Step-Up Covered Bond" means a Covered Bond specified as such in the relevant Final Terms;

"Step-Up Event" has the meaning ascribed to such term in the applicable Final Terms;

"Step-Up Margin" means the amount specified in the applicable Final Terms as being the Step-Up Margin;

"Subordinated Loan Provider" means each Seller, in its capacity as subordinated loan provider pursuant to the relevant Subordinated Loan Agreement, and **"Subordinated Loan Providers"** means, collectively, all of them;

"Subordinated Loan Agreement" means each subordinated loan agreement entered into between a Subordinated Loan Provider and the Guarantor, as amended and restated from time to time;

"Subsidiary" has the meaning ascribed to such term in Article 2359 of the Italian Civil Code;

"Swap Agreements" means, collectively, each Asset Swap Agreement, each Liability Swap Agreement and any other swap agreement that may be entered into in connection with the Programme;

"Swap Collateral Account Bank" means any bank which may be appointed as swap collateral account bank in accordance with the Cash Allocation Management and Payments Agreement;

"Swap Collateral Accounts" means, collectively, any Swap Collateral Cash Account and any Swap Collateral Securities Account.

"Swap Collateral Cash Account" means any collateral account with respect to each Swap Provider, which may be opened, in name and on behalf of the Guarantor, with the Swap Collateral Account Bank on which each Swap Collateral in the form of cash may be posted in accordance with the relevant Swap Agreement and the Cash, Allocation, Management and Payments Agreement.

"Swap Collateral Excluded Amounts" means at any time, the amounts of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor or, as the case may be, the Issuer including Swap Collateral which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement.

"Swap Collateral Securities Account" means any collateral account (if any) related to each Swap Provider which may be opened, in name and on behalf of the Guarantor, with the Swap Collateral Account Bank on which the Swap Collateral in the form of securities may be posted in accordance with the relevant Swap Agreement and the Cash Allocation, Management and Payments Agreement.

"Swap Providers" means, collectively, the Asset Swap Providers, the Liability Swap Providers and the providers of any other swap or other hedging agreements that may be entered into in connection with the Programme;

"TARGET Settlement Day" means any day on which TARGET2 System is open for the settlement of payments in euro;

"Test Calculation Date" means (i) prior to the delivery of a Test Performance Report assessing that a breach of Test has occurred, the date falling two Business Days immediately following each Guarantor Calculation Date and (ii) following the delivery of a Test Performance Report assessing that a breach of Test has occurred, the second Business Day of the month immediately following the date of such Test Performance Report and, thereafter, the second Business Day of each month for the following six month-period.

"Test Grace Period" means the 20 (twenty) Business Day period starting on the Test Calculation Date on which a Test Performance Report assessing that a breach of Test has occurred is delivered by the Test Calculation Agent.

"Test Calculation Agent" means Iccrea Banca, acting as test calculation agent or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement;

"Tests" means collectively the Statutory Tests and the Amortisation Test;

"Transaction Documents" means the Master Loans Purchase Agreement, the Master Servicing Agreement, the Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments Agreement, the Programme Agreement, each Subscription Agreement, the Cover Pool Management Agreement, the Intercreditor Agreement, each Subordinated Loan Agreement, the Asset Monitor Agreement, the Covered Bond Guarantee, the Corporate Services Agreement, the Swap Agreements (if any), the Mandate Agreement, the Quotaholders' Agreement, these Conditions, each Final Terms, the Deed of Charge, the Deed of Pledge, the Master Definitions Agreement, the Quotaholder Corporate Services Agreement and any other agreement entered into from time to time in connection with the Programme;

"Transitory Collection Accounts" means the bank accounts established in the name of the Guarantor with the Operating Bank and indicated in Schedule 6 (*Conti Incassi Transitori*) of the Master Servicing Agreement into which all the Collections will be transferred;

"Warranty and Indemnity Agreement" means the warranty and indemnity agreement entered into between the Sellers and the Guarantor, as amended and restated from time to time;

"Zero Coupon Covered Bond" means a Covered Bond specified as such in the relevant Final Terms;

(b) **Interpretation**

In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Series of Covered Bonds and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Covered Bonds;
- (iv) any reference to a Transaction Document shall be construed as a reference to such Transaction Document, as amended and/or supplemented up to and including the Issue Date of the relevant Covered Bonds;
- (v) any reference to a party to a Transaction Document (other than the Issuer and the Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Transaction Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Tranche only; and
- (vi) any reference in any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination and Title**

The Covered Bonds are in the Specified Denomination(s), which may include a minimum denomination of Euro 100,000 (or, where Specified Currency is a currency other than Euro, the equivalent amount in such Specified Currency) and higher integral multiples of a smaller amount, in each case as specified in the relevant Final Terms. The Covered Bonds will be issued and will be held in bearer form and in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with Monte Titoli in accordance with Article 83-bis of the Financial Law, through the authorised institutions listed in Article 83-*quater* of the Financial Law. The Covered Bonds will at all times be evidenced by, and title thereto will be transferable by means of, book entries in accordance with (i) the provisions of Article 83-bis et seq. of the Financial Law and the relevant implementing regulations and (ii) the regulation issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented. The Covered Bonds will be held by Monte Titoli on behalf of the Covered Bondholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. Monte Titoli Account Holder will be act as depository for Clearstream and Euroclear. No physical documents of title will be issued in respect of the Covered Bonds. The rights and powers of the Covered Bondholders may only be exercised in accordance with these Conditions and the Rules of the Organisation of the Covered Bondholders.

4. **Status and Guarantee**

(a) ***Status of the Covered Bonds***

The Covered Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer guaranteed by the Guarantor and will rank *pari passu* without preference among themselves, except in respect of maturities of each Series or Tranche, and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer having the same maturity of each Series or Tranche of the Covered Bonds, from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the Covered Bondholders will be collected by the Guarantor on their behalf.

(b) ***Status of the Covered Bond Guarantee***

The payment of Guaranteed Amounts in respect of each Series of Covered Bonds when due for payment will be unconditionally and irrevocably guaranteed by the Guarantor under the Covered Bond Guarantee.

(c) ***Priority of Payments***

Amounts due from the Issuer pursuant to these Conditions or from the Guarantor pursuant to the Covered Bond Guarantee shall be paid in accordance with the Priority of Payments, as set out in the Intercreditor Agreement.

5. **Fixed Rate Provisions**

(a) ***Application***

This Condition 5 is applicable to the Covered Bonds only if the Fixed Rate Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Covered Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is 7 (seven) days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such 7th (seventh) day (except to the extent that

there is any subsequent default in payment).

(c) ***Fixed Coupon Amount***

The amount of interest payable in respect of each Covered Bond for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Covered Bonds are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) ***Calculation of interest amount***

The amount of interest payable in respect of each Covered Bond for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

6. **Floating Rate Provisions**

(a) ***Application***

This Condition 6 is applicable to the Covered Bonds only if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Covered Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is 7 (seven) days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such 7th (seventh) day (except to the extent that there is any subsequent default in payment).

(c) ***Screen Rate Determination***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Principal Paying Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Principal Paying Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Principal Paying Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Principal Paying Agent will:

- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to

provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

- (iv) if fewer than two such quotations are provided as requested, the Principal Paying Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Principal Paying Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Principal Paying Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Principal Paying Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of a preceding Interest Period.

(d) ***ISDA Determination***

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the calculation agent under an interest rate swap transaction if the calculation agent were acting as calculation agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is the day specified in the applicable Final Terms.

(e) ***Maximum or Minimum Rate of Interest***

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified, provided that in no event the Interest Amount will be less than zero.

(f) ***Calculation of Interest Amount***

The Principal Paying Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Covered Bond for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Covered Bond divided by the Calculation Amount. For this purpose, a "**sub unit**" means, in the case of any

currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

(g) ***Calculation of other amounts***

If the relevant Final Terms specify that any other amount is to be calculated by the Principal Paying Agent, then the Principal Paying Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount provided that the Principal Paying Agent has the relevant information needed to execute the required calculation and this is in line with the assigned mandate. The relevant amount will be calculated by the Principal Paying Agent in the manner specified in the relevant Final Terms.

(h) ***Publication***

The Principal Paying Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Covered Bondholders provided that the Principal Paying Agent has the relevant information needed to execute the required publication. The Principal Paying Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Principal Paying Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Covered Bond having the minimum Specified Denomination.

(i) ***Certificates to be final***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Principal Paying Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Covered Bondholders and (subject as aforesaid) no liability to any such Person will attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(j) ***Benchmark Discontinuation***

If the Issuer (in consultation with the Principal Paying Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (with the Issuer's agreement) a Successor Rate, or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an Alternative Rate (in accordance with this Condition 6(j)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 6(j) (cc)) and any Benchmark Amendments (in accordance with Condition 6(j) (dd)).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Rate in accordance with this Condition 6(j) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediately following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 6(j) (aa) (*Benchmark Discontinuation*) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 6(j).

If the Independent Adviser determines with the Issuer's agreement that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(j) (cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 6(j)) in the event of a further Benchmark Event affecting the Successor Rate; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(j))(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 6(j) in the event of a further Benchmark Event affecting the Alternative Rate.

if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(j) and the Independent Adviser determines, with the Issuer's agreement, (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Principal Paying Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with this Condition 6(j), without any requirement for the consent or approval of relevant Covered Bondholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Principal Paying Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Cash Allocation Management and Payments Agreement and these Conditions as may be required in order to give effect to this Condition 6(j)).

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(j) will be notified promptly by the Issuer to the Principal Paying Agent and, in accordance with Condition 18 (*Notices*), the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6(j); and
- (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Principal Paying Agent and the Covered Bondholders.

As used in this Condition 6(j):

"**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 Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the relevant Successor Rate or the relevant 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, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, with the Issuer's agreement, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, with the Issuer's agreement, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser, with the Issuer's agreement, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Covered Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser (with the Issuer's agreement) determines in accordance with this Condition 6(j) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"Benchmark Event" means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **"Specified Future Date"**); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the **"Specified Future Date"**), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the **"Specified Future Date"**), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Covered Bonds; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market; or

- (F) it has or will, by a specified date within the following six months, become unlawful for the Principal Paying Agent to calculate any payments due to be made to any Covered Bondholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C) or (D) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"Benchmark Amendments" has the meaning given to it in Condition 6(j) (dd).

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 6(j).

"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 a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

7. **Zero Coupon Provisions**

(a) ***Application***

This Condition 7 is applicable to the Covered Bonds only if the Zero Coupon Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Covered Bonds***

If the Redemption Amount payable in respect of any Zero Coupon Covered Bond is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is seven days after the Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

8. **Step-Up Option**

This Condition 8 applies to Covered Bonds in respect of which the applicable Final Terms indicate that the Step-Up Option is applicable (“**Step-Up Covered Bonds**”).

The Rate of Interest for Step-Up Covered Bonds will be the Initial Rate of Interest specified in the applicable Final Terms, provided that for any Interest Period commencing on or after the Interest Payment Date immediately following a Step-Up Event, if any, the Rate of Interest shall be increased by the Step-Up Margin specified in the applicable Final Terms.

For the avoidance of doubt, an increase in the Rate of Interest may occur no more than once in respect of the relevant Step-Up Covered Bond.

9. **Redemption and Purchase**

(a) ***Scheduled redemption***

Unless previously redeemed or purchased and cancelled in accordance with the Conditions and the relevant Final Terms, the Covered Bonds will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in this Condition 9 (*Redemption and Purchase*) and Condition 10 (*Payments*).

(b) ***Extension of maturity***

If an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the relevant Final Terms and the Guarantor or the Principal Paying Agent on its behalf determines that the Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the Extension Determination Date, then (subject as provided below), payment of the unpaid amount by the Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Maturity Date *provided that* any amount representing the Final Redemption Amount due and remaining unpaid after the Extension Determination Date may be paid by the Guarantor on any Interest Payment Date thereafter up to (and including) the relevant Extended Maturity Date.

The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and, in any event, at least 4 (four) Business Days prior to the Maturity Date as to whether payment will or will not be made in full of the Final Redemption Amount in respect of the Covered Bonds on that Maturity Date. Any change of the maturity date shall be communicated in advance to Monte Titoli at least 4 (four) Business Days prior to the Maturity date.

The Guarantor shall notify the relevant holders of the Covered Bonds (in accordance with Condition 18 (*Notices*)), any relevant Swap Provider(s), the Rating Agencies, the Representative of the Covered Bondholders and the Principal Paying Agent as soon as reasonably practicable and in any event at least one Business Day prior to the Maturity Date specified in the relevant Final Terms of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on the Extension Determination Date, pursuant to the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priority of Payments) *pro rata* in partial payment of an amount equal to the Final Redemption Amount in respect of the Covered Bonds and shall pay Guaranteed Amounts constituting interest in respect of each such Covered Bond on such date. The obligation of the Guarantor to pay any amount in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above.

In case payment of the unpaid amounts by the Guarantor under the Covered Bond Guarantee is deferred to the Extended Maturity Date pursuant to this Condition 9(b), as a consequence of the occurrence of the event

indicated under letter (a) of the definition of the Issuer Event of Default, any proceeds deriving from any sale or liquidation of Selected Assets carried out under Clause 5 of the Cover Pool Management Agreement shall be applied by the Guarantor to pay on any Interest Payment Date thereafter *pro rata* and *pari passu* any outstanding amounts due and unpaid on the Covered Bonds for which payment has been deferred until the Extended Maturity Date, in accordance with the Guarantee Priority of Payments.

Interest will continue to accrue on any unpaid amount and be payable on each Interest Payment Date during such extended period up to (and including) the Extended Maturity Date or, if earlier, the Interest Payment Date on which the Final Redemption Amount is paid in full.

(c) ***Redemption for tax reasons***

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Covered Bondholders (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Covered Bonds; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Covered Bonds may be redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due; or
- (2) where the Covered Bonds may be redeemed only on an Interest Payment Date, 60 (sixty) days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (A) a certificate signed by two directors 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 of and (B) 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. Upon the expiry of any such notice as is referred to in this Condition 9(c), the Issuer shall be bound to redeem the Covered Bonds in accordance with this Condition 9(c).

(d) ***Redemption at the option of the Issuer***

If the Call Option is specified in the relevant Final Terms as being applicable, the Covered Bonds may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any

Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 (fifteen) nor more than 30 (thirty) days' notice to the Covered Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Covered Bonds on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(e) ***Partial redemption***

If the Covered Bonds are to be redeemed in part only on any date in accordance with Condition 9(d) (*Redemption at the option of the Issuer*), the Covered Bonds to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the Covered Bonds will be so redeemed in accordance with the rules and procedures of Monte Titoli and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation. The notice to Covered Bondholders referred to in Condition 9(d) (*Redemption at the option of the Issuer*) shall specify the proportion of the Covered Bonds so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) ***Redemption at the option of Covered Bondholders***

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of any Covered Bondholder redeem such Covered Bonds held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Covered Bondholder must, not less than 30 (thirty) nor more than 45 (forty-five) days before the relevant Optional Redemption Date (Put), deposit with the Principal Paying Agent a duly completed Put Option Notice (which notice shall be irrevocable) in the form obtainable from the Principal Paying Agent. The Principal Paying Agent shall deliver a duly completed Put Option Receipt to the depositing Covered Bondholder. Once deposited in accordance with this Condition 9(f), no duly completed Put Option Notice, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any Covered Bonds become immediately due and payable or, upon due presentation of any such Covered Bonds on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the Principal Paying Agent shall mail notification thereof to the Covered Bondholder at such address as may have been given by such Covered Bondholder in the relevant Put Option Notice and shall hold such Covered Bond against surrender of the relevant Put Option Receipt. For so long as any Put Option Notice is deposited in accordance with this Condition 9(f), the Covered Bondholder and not the Principal Paying Agent shall be deemed to be the holder of such Covered Bonds for all purposes.

(g) ***No other redemption***

The Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in this Condition 9 and as specified in the relevant Final Terms.

(h) ***Early redemption of Zero Coupon Covered Bonds***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Covered Bonds at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bonds become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) ***Purchase***

The Issuer or any of its Subsidiaries (other than the Guarantor) may at any time purchase Covered Bonds in the open market or otherwise and at any price and any Covered Bonds so purchased may be held or resold or may be surrendered in accordance with Condition 9(l) (*Cancellation*). The Guarantor shall not purchase any Covered Bonds at any time.

(j) ***Cancellation***

All Covered Bonds so redeemed or purchased by the Issuer or any such Subsidiary and subsequently surrendered for cancellation shall be cancelled and may not be reissued or resold.

(k) ***Redemption by instalments***

If the Covered Bonds are specified in the relevant Final Terms as being amortising and redeemable in instalments they will be redeemed in such number of instalments, in such Covered Bond Instalment Amounts and on such dates as may be specified in or determined in accordance with the relevant Final Terms and upon each partial redemption as provided by this Condition 9(m) (*Redemption by instalments*), the outstanding principal amount of each such Covered Bonds shall be reduced by the relevant Covered Bond Instalment Amount for all purposes.

(l) ***Extension of principal instalments***

If an Extended Instalment Date is specified as applicable in the relevant Final Terms for a Series of Covered Bonds whose principal is payable in instalments and the Issuer has failed to pay a Covered Bond Instalment Amount on the applicable Covered Bond Instalment Date specified in the relevant Final Terms and the Guarantor or the Principal Paying Agent on its behalf determines that the Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to such Covered Bond Instalment Amount in full on the applicable Covered Bond Instalment Extension Determination Date, then (subject as provided below), payment by the Guarantor under the Covered Bond Guarantee of each of (a) such Covered Bond Instalment Amount and (b) all subsequently due and payable Covered Bond Instalment Amounts shall be deferred until the Interest Payment Date falling one year or the other period specified in the Final Terms after the date on which it was previously due *provided that* no Covered Bond Instalment Amount may be deferred to a date falling after the Extended Maturity Date for the relevant Series.

The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and, in any event, at least 4 (four) Business Days prior to the applicable Covered Bond Instalment Date as to whether payment will or will not be made in full of the relevant Covered Bond Instalment Amount on its Covered Bond Instalment Date. Any failure by the Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

The Guarantor or the Principal Paying Agent on its behalf, shall notify the relevant holders of the Covered Bonds (in accordance with Condition 18 (*Notices*), any relevant Swap Provider(s), the Rating Agencies, the Representative of the Covered Bondholders and the Principal Paying Agent as soon as reasonably practicable and in any event at least 6 (six) Business Days prior to a Covered Bond Instalment Date of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the relevant Covered Bond Instalment Amount pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on each Interest Payment Date following the

applicable Covered Bond Instalment Extension Determination Date until the applicable Extended Instalment Date, pursuant to the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priority of Payments) *pro rata* towards payment of an amount equal to the relevant Covered Bond Instalment Amount together with interest accrued thereon up to (and including) such date.

Interest will continue to accrue on any unpaid amount during such extended period and shall be payable on each Interest Payment Date from the relevant Covered Bond Instalment Date until the Extended Instalment Date or, if earlier, the date on which the deferred Covered Bond Instalment Amount is paid in full.

Failure by the Issuer to pay the Covered Bond Instalment Amount on its Covered Bond Instalment Date will (subject to any applicable grace period) be an Issuer Event of Default. Failure by the Guarantor to pay the deferred Covered Bond Instalment Amount on the related Extended Instalment Date will (subject to any applicable grace period) be a Guarantor Event of Default.

Each Covered Bond Instalment Amount may be deferred when due no more than once. At such time, each subsequent but not yet due Covered Bond Instalment Amount will also be deferred, so it is possible that a Covered Bond Instalment Amount may be deferred more than once but it may never be deferred to a date falling after the Extended Maturity Date for the relevant Series.

(m) ***Redemption due to illegality***

The Covered Bonds of all Series or Tranche may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Representative of the Covered Bondholders and the Principal Paying Agent, and, in accordance with Condition 18 (*Notices*), all Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Representative of the Covered Bondholders immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series or Tranche, become unlawful for the Issuer to make any payments under the Covered Bonds as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 9(m) will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

10. **Payments**

(a) ***Payments through clearing systems***

Payment of interest and repayment of principal in respect of the Covered Bonds will be credited, in accordance with the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer or the Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Covered Bonds and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Covered Bonds or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those Covered Bonds, in accordance with the rules and procedures of Monte Titoli and of the Relevant Clearing Systems, as the case may be.

(b) ***Payments subject to fiscal laws***

All payments in respect of the Covered Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to Covered Bondholders in respect of such payments.

(c) ***Payments on business days***

If the due date for payment of any amount in respect of any Covered Bond is not a Payment Business Day in the Place of Payment, the Covered Bondholder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

11. **Taxation**

(a) ***Gross up by Issuer***

All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (i) by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA). In that event, the Issuer shall pay such additional amounts as will result in receipt by the Covered Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Covered Bond:

- (i) in relation to any payment or deduction of any interest or principal on account of *imposta sostitutiva* pursuant to Decree 239, as amended from time to time, with respect to any Covered Bonds and in all circumstances in which the procedures set forth in Decree 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; or
- (ii) 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
- (iii) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (iv) where the Covered Bondholder 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;
- (v) held by or on behalf of a Covered Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Covered Bonds by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Covered Bonds; or
- (vi) held by or on behalf of a Covered Bondholder who is entitled to avoid such withholding or deduction in respect of such Covered Bonds by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non/residence or other similar claim for exemption; or
- (vii) where such withholding is required by FATCA.

(b) ***Taxing jurisdiction***

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy,

references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction. For the purposes of this paragraph (b), the Issuer will not be considered to become subject to the taxing jurisdiction of the United States should the Issuer be required to withhold amounts in respect any withholding tax imposed by the United States on any payments the Issuer makes.

(c) ***No Gross-up by the Guarantor***

If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Covered Bondholders.

12. **Events of Default**

(a) ***Issuer Events of Default:***

If any of the following events (each, an "**Issuer Event of Default**") occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and payable on any Series of Covered Bonds at their relevant Interest Payment Date and/or at the Final Maturity Date, and such breach is not remedied within the next 15 Business Days, in case of amounts of interest, or 20 Business Days (other than in case of non-payment at the Maturity Date), in case of amounts of principal, as the case may be; or
- (b) *Breach of other obligation*: a material breach by the Issuer of any obligation under the Transaction Documents (other than any obligation pursuant to paragraph (a)(*Non-Payment*) above or (f) (*Breach of Statutory Tests*) below) occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Article 74 Event*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or
- (e) *Cessation of business*: the Issuer ceases to carry on its primary business (because of the loss of its banking licence or otherwise); or
- (f) *Breach of Statutory Tests*: any Statutory Test is breached and is not remedied by the end of the relevant Test Grace Period,

then the Representative of the Covered Bondholders shall or, in case of the Issuer Event of Default referred to under paragraph (c) (*Insolvency*) above, may if so directed by the Covered Bondholders, serve a notice on the Issuer and the Guarantor (an "**Issuer Default Notice**") demanding payment under the Covered Bond Guarantee, and specifying, in case of the Issuer Event of Default referred to under item (d) (*Article 74 Event*) above, that the Issuer Event of Default may be temporary.

(b) ***Effect of an Issuer Default Notice:***

Upon service of an Issuer Default Notice upon the Issuer and the Guarantor:

- (i) all Series of Covered Bonds will accelerate against the Issuer and will rank *pari passu* amongst themselves against the Issuer, provided that (A) such event shall not trigger an acceleration against the Guarantor, and (B) in accordance with article 4, paragraph 3, of Decree 310 and pursuant to the relevant provisions of the Covered Bond Guarantee, the Guarantor shall be solely responsible for the exercise of the rights of the Covered Bondholders *vis-à-vis* the Issuer and any Excess

Proceeds will be part of the Guarantor Available Funds;

- (ii) (A) interest and principal falling due on the Covered Bonds will be payable by the Guarantor at the time and in the manner provided under the Conditions and the relevant Final Terms, subject to and in accordance with the terms of the Covered Bond Guarantee and the Guarantee Priority of Payments; and (B) the Guarantor (or the Representative of the Covered Bondholders pursuant to the Intercreditor Agreement) shall be entitled to request from the Issuer an amount up to the Guaranteed Amounts and any sum so received or recovered from the Issuer will be used to make payments in accordance with the Covered Bond Guarantee;
- (iii) if (I) the right of the Guarantor under paragraph (ii)(B) above is in any way challenged or revoked and (II) a Programme Resolution of the Covered Bondholders has been passed to this effect, the Covered Bonds will become immediately due and payable by the Issuer, at their Early Termination Amount together with accrued interest thereon and the Guarantor will no longer be entitled to request from the Issuer the amount set out under paragraph (ii)(B) above;
- (iv) the Guarantor may sell the Selected Assets comprised in the Cover Pool in accordance with the Cover Pool Management Agreement,
- (v) the Statutory Tests shall continue to apply, and the Amortisation Test shall also apply;
- (vi) no further Series or Tranches of Covered Bonds may be issued by the Issuer under the Programme;

provided that, in case of the Issuer Event of Default referred to under Condition 11(a), paragraph (d) (*Article 74 Event*), the effects listed in items (i) to (iv) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Consolidated Banking Act will be in force and effect (the "**Suspension Period**"). Accordingly (A) the Guarantor, in accordance with Decree 310, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the Suspension Period and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the Covered Bonds.

(c) ***Guarantor Events of Default:***

If any of the following events (each, a "**Guarantor Event of Default**") occurs and is continuing:

- (a) *Non-payment*: following the service of an Issuer Default Notice, the Guarantor fails to pay any interest and/or principal due and payable under the Covered Bond Guarantee on the relevant Interest Payment Date and/or at the Extended Maturity Date and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of amounts of principal, as the case may be; or
- (b) *Breach of other obligation*: a material breach by the Guarantor of any obligation under the Transaction Documents (other than any obligation pursuant to paragraph (a)(*Non-Payment*) above) occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor (except where, in the opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required); or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Guarantor; or
- (d) *Breach of Amortisation Test*: following the service of an Issuer Event Default Notice (provided that, in case the Issuer Event of Default consist of an Article 74 Event, the Representative of the Covered Bondholders has not delivered an Article 74 Event Cure Notice) the Amortisation Test is breached and is not remedied by the end of the Test Grace Period;
- (e) *Invalidity of the Covered Bond Guarantee*: the Covered Bond Guarantee is not in full force and

effect or it is claimed by the Guarantor not to be in full force and effect,

then the Representative of the Covered Bondholders shall or, in the case of the Guarantor Event of Default under paragraphs (b)(*Breach of other obligation*) and (c) (*Insolvency*) shall, if so directed by a Programme Resolution, serve a notice on the Guarantor (a “**Guarantor Default Notice**”), stating that a Guarantor Event of Default has occurred.

(d) ***Effect of a Guarantor Default Notice:***

Upon service of a Guarantor Default Notice upon the Guarantor:

- (i) all the Covered Bonds shall become immediately due and payable at their Early Termination Amount together with any accrued interest and will rank *pari passu* among themselves in accordance with the Post-Enforcement Priority of Payments;
- (ii) subject to and in accordance with the terms of the Covered Bond Guarantee, the Representative of the Covered Bondholders, on behalf of the Covered Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Termination Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 11(a) (*Gross up by Issuer*) in accordance with the Post-Enforcement Priority of Payments;
- (iii) *Disposal of assets*: the Guarantor, if not already sold, shall procure the sale of certain Eligible Assets and Integration Assets comprised in the Cover Pool in accordance with the Cover Pool Management Agreement; and
- (iv) *Enforcement*: the Representative of the Covered Bondholders may, at its discretion and without further notice subject to having been indemnified and/or secured to its satisfaction, take such steps and/or institute such proceedings against the Issuer or the Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by a Programme Resolution of the Covered Bondholders.

(e) ***Certificates to be final***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 12 by the Representative of the Covered Bondholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*)) be binding on the Issuer, the Guarantor and all Covered Bondholders and (in such absence as aforesaid) no liability to the Covered Bondholders, the Issuer or the Guarantor shall attach to the Representative of the Covered Bondholders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

13. **Prescription**

Claims for payment under the Covered Bonds shall become void unless made within ten years (in respect of principal) or five years (in respect of interest) from the due date thereof.

14. **Representative of the Covered Bondholders**

(a) ***Organisation of the Covered Bondholders***

The Organisation of the Covered Bondholders shall be established upon, and by virtue of, the issuance of the first Series of Covered Bonds under the Programme and shall remain in force and in effect until repayment in full or cancellation of the Covered Bonds of any Series. Pursuant to the Rules of the Organisation of the Covered Bondholders, for as long as the Covered Bonds are outstanding, there shall at all times be a Representative of the Covered Bondholders. The appointment of the Representative of the Covered Bondholders as legal representative of the Organisation of the Covered Bondholders is made by the Covered

Bondholders subject to and in accordance with the Rules of the Organisation of the Covered Bondholders.

(b) ***Initial appointment***

In the Programme Agreement, the Relevant Dealer(s) has or have appointed the Representative of the Covered Bondholders to perform the activities described in the Programme Agreement, in these Conditions (including the Rules of the Organisation of Covered Bondholders), in the Intercreditor Agreement, in the Mandate Agreement and in the other Transaction Documents, and the Representative of the Covered Bondholders has accepted such appointment for the period commencing on the Issue Date of the first Series of Covered Bonds and ending (subject to early termination of its appointment) on the date on which all of the Covered Bonds have been cancelled or redeemed in accordance with these Conditions and the relevant Final Terms.

(c) ***Acknowledgment by Covered Bondholders***

Each Covered Bondholder, by reason of holding Covered Bonds:

- (i) recognises the Representative of the Covered Bondholders as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative of the Covered Bondholders in such capacity as if such Covered Bondholder were a signatory thereto; and
- (ii) acknowledges and accepts that the Relevant Dealer(s) shall not be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Covered Bondholders as a result of the performance by the Representative of the Covered Bondholders of its duties or the exercise of any of its rights under the Transaction Documents.

15. Agents

In acting under the Cash Allocation Management and Payments Agreement and in connection with the Covered Bonds, the Principal Paying Agent acts solely as an agent of the Issuer and, following service of an Issuer Default Notice or a Guarantor Default Notice, as an agent of the Guarantor and does not assume any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders.

The Principal Paying Agent and its initial Specified Offices are set out in these Conditions. The Principal Paying Agent is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint a successor principal paying agent ; *provided, however, that:*

- (i) the Issuer and the Guarantor shall at all times maintain a principal paying agent; and
- (ii) the Issuer and the Guarantor shall at all times procure that the Principal Paying Agent operates in an EU member state such that it will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000; and
- (iii) if a Principal Paying Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Principal Paying Agent ; and
- (iv) if and for so long as the Covered Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer and the Guarantor shall maintain a paying agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in the Principal Paying Agent or in its Specified Offices shall promptly be given to the Covered Bondholders.

16. Further Issues

The Issuer may from time to time, without the consent of the Covered Bondholders, create and issue further Covered Bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Covered Bonds.

17. Limited Recourse and Non Petition

(a) Limited Recourse

The obligations of the Guarantor under the Covered Bond Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the Guarantor, collateralised by the Cover Pool as provided under the Law 130, Decree 310 and the Bank of Italy Regulations. The recourse of the Covered Bondholders to the Guarantor under the Covered Bond Guarantee will be limited to the assets comprised in the Cover Pool subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the Covered Bondholders.

(b) Non Petition

Only the Representative of the Covered Bondholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Guaranteed Amounts or enforce the Covered Bond Guarantee and/or the Security and no Covered Bondholder shall be entitled to proceed directly against the Guarantor to obtain payment of the Guaranteed Amounts or to enforce the Covered Bond Guarantee and/or the Security. In particular:

- (i) no Covered Bondholder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee and/or the Security or (except for the Representative of the Covered Bondholders) take any proceedings against the Guarantor to enforce the Covered Bond Guarantee and/or the Security;
- (ii) no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders, where appropriate) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Guarantor for the purpose of obtaining payment of any amount due from the Guarantor;
- (iii) at least until the date falling one year and one day after the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms together with any payments payable in priority or *pari passu* thereto, no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders) shall initiate or join any person in initiating an Insolvency Event in relation to the Guarantor; and
- (iv) no Covered Bondholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

18. Notices

(a) Notices given through Monte Titoli

Any notice regarding the Covered Bonds, as long as the Covered Bonds are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(b) ***Notices through Luxembourg Stock Exchange***

Any notice regarding the Covered Bonds, as long as the Covered Bonds are admitted to trading on the regulated market or on the Professional Segment of the regulated market of the Luxembourg Stock Exchange and the rules of such exchange so require, shall be deemed to have been duly given if published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in accordance with the rules and regulation of the Luxembourg Stock Exchange.

(c) ***Other publication***

The Representative of the Covered Bondholders shall be at liberty to sanction any other method of giving notice to Covered Bondholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the competent authority, stock exchange and/or quotation system by which the Covered Bonds are then admitted to trading and *provided that* notice of such other method is given to the holders of the Covered Bonds in such manner as the Representative of the Covered Bondholders shall require.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Governing Law and Jurisdiction**

(a) ***Governing law***

These Covered Bonds and any non-contractual obligations arising out of, or in connection, thereof are governed by Italian law. All other Transaction Documents and any non-contractual obligations arising out of, or in connection, thereof are governed by Italian law, save for the Deed of Charge and the Swap Agreements, which are governed by English law.

(b) ***Jurisdiction***

The courts of Rome have exclusive competence for the resolution of any dispute that may arise in relation to the Covered Bonds or their validity, interpretation or performance.

(c) ***Relevant legislation***

Anything not expressly provided for in these Conditions will be governed by the provisions of the Law 130 and, if applicable, Article 58 of the Consolidated Banking Act, the Bank of Italy Regulations and Decree 310, as amended from time to time, and any other laws or regulations implementing EU Directive on Covered Bonds.

RULES OF THE ORGANISATION OF THE COVERED BONDHOLDERS

TITLE I GENERAL PROVISIONS

1. GENERAL

- 1.1 The Organisation of the Covered Bondholders in respect of all Covered Bonds of whatever Series issued under the Programme by Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo is created concurrently with the issue and subscription of the Covered Bonds of the first Series to be issued and is governed by these Rules of the Organisation of the Covered Bondholders ("**Rules**").
- 1.2 These Rules shall remain in force and effect until full repayment or cancellation of all the Covered Bonds of whatever Series.
- 1.3 The contents of these Rules are deemed to be an integral part of the Terms and Conditions of the Covered Bonds (the "**Conditions**") of each Series issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Rules, the terms below shall have the following meanings:

"Block Voting Instruction" means, in relation to a Meeting, a document issued by the Principal Paying Agent:

- (a) certifying that specified Covered Bonds are held to the order of a Monte Titoli Account Holder or have been blocked in an account with a clearing system and will not be released until a the earlier of:
 - (i) a specified date which falls after the conclusion of the Meeting; and
 - (ii) the relevant Covered Bonds ceasing with the agreement of the Monte Titoli Account Holder to be held to its order or under its control or so blocked and notification of the release thereof by the Principal Paying Agent to the Issuer and Representative of the Covered Bondholders;
- (b) certifying that the Holder of the relevant Blocked Covered Bonds or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Covered Bonds 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;
- (c) listing the aggregate principal amount of such specified Blocked Covered Bonds, distinguishing between those amounts in respect of which instructions have been given to vote for, and against, each resolution; and
- (d) authorising a named individual to vote in accordance with such instructions;

"Blocked Covered Bonds" means Covered Bonds which have been blocked in an account with a clearing system for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or from a Monte Titoli Account Holder a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required;

"Chairman" means, in relation to any Meeting, the person who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules of the Organisation of the Covered Bondholders;

"Cover Pool" has the meaning given to it in the Master Definitions Agreement;

"**EU Directive on Covered Bonds**" means Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.

"**Event of Default**" means an Issuer Event of Default or a Guarantor Event of Default;

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of not less than three quarters of the votes cast or, in the case of a resolution pursuant to Condition 12(b)(iii) (*Effect of an Issuer Default Notice*), by a majority of not less than 50 (fifty) per cent. of the Outstanding Principal Amount of the Covered Bonds of the relevant Series then outstanding;

"**Holder**" or "**holder**" means in respect of Covered Bonds, the ultimate owner of such Covered Bonds;

"**Liabilities**" means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands;

"**Meeting**" means a meeting of Covered Bondholders (whether originally convened or resumed following an adjournment);

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with Article 83-quarter of the Financial Law;

"**Moody's**" means Moody's France S.a.S.;

"**Ordinary Resolution**" means any resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of more than 50 (fifty) per cent. of the votes cast;

"**Programme Resolution**" means an Extraordinary Resolution passed at a single meeting of the Covered Bondholders of all Series, duly convened and held in accordance with the provisions contained in these Rules to direct the Representative of the Covered Bondholders to take action: (i) pursuant to Condition 12(b)(iii) (*Effect of an Issuer Default Notice*), or (ii) pursuant to Condition 12(c)(b) (*Guarantor Event of Default – Breach of other obligation*), or (iii) pursuant to Condition 12(d)(iv) (*Guarantor Event of Default – Enforcement*) or (iv) to appoint or remove the Representative of the Covered Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*) of the Rules of the Organisation of the Covered Bondholders; or (v) to direct the Representative of the Covered Bondholders to take other action stipulated in the Conditions or the Transaction Documents as requiring a Programme Resolution.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or a person appointed to vote under a Block Voting Instruction, in each case other than:

- (a) any person whose appointment has been revoked and in relation to whom the Principal Paying Agent or, in the case of a proxy appointed under a Voting Certificate, the Issuer 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;

"**Rating Agencies**" means Moody's and/or any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, and each of them is a "**Rating Agency**";

"**Resolutions**" means the Ordinary Resolutions, the Extraordinary Resolutions and the Programme Resolutions, collectively;

"Swap Rate" means, in relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in any Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if there is no exchange rate specified or if the Swap Agreement has terminated, the applicable spot rate;

"Transaction Party" means any person who is a party to a Transaction Document;

"Voter" means, in relation to a Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or by a Proxy named in a Block Voting Instruction;

"Voting Certificate" means, in relation to any Meeting a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented.

"Written Resolution" means a resolution in writing signed by or on behalf of one or more persons being or representing the holders of at least 75 (seventy-five) per cent of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding, the holders of which at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Covered Bondholders;

"24 hours" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and the places where the Principal Paying Agent has its Specified Office; and

"48 hours" means two consecutive periods of 24 hours.

Unless otherwise provided in these Rules, or unless the context requires otherwise, words and expressions used in these Rules shall have the meanings and the construction ascribed to them in the Conditions to which these Rules are attached.

2.2 *Interpretation*

In these Rules:

- 2.2.1 any reference herein to an **"Article"** shall, except where expressly provided to the contrary, be a reference to an article of these Rules of the Organisation of the Covered Bondholders;
- 2.2.2 a **"successor"** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and
- 2.2.3 any reference to any Transaction Party shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

2.3 *Separate Series*

Subject to the provisions of the next sentence, the Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, unless for any purpose the Representative of the Covered Bondholders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (*Purpose of the Organisation*) to 24 (*Meetings and Separate Series*) and Articles 28 (*Duties and Powers of the Representative of the Covered Bondholders*) to 36 (*Powers to Act on behalf of the Guarantor*) shall apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. However, for the purposes of this Clause 2.3:

- 2.3.1 Articles 26 (*Appointment, Removal and Resignation*) and 27 (*Resignation of the Representative of the Covered Bondholders*); and
- 2.3.2 insofar as they relate to a Programme Resolution, Articles 3 (*Purpose of the Organisation*) to 24 (*Meetings and Separate Series*) and Articles 28 (*Duties and Powers of the Representative of the Covered Bondholders*) to 36 (*Powers to Act on behalf of the Guarantor*),

the Covered Bonds shall be deemed to constitute a single Series and the provisions of such Articles shall apply to all the Covered Bonds together as if they constituted a single Series and, in such Articles, the expressions "**Covered Bonds**" and "**Covered Bondholders**" shall be construed accordingly.

3. PURPOSE OF THE ORGANISATION

- 3.1 Each Covered Bondholder, whatever Series of the Covered Bonds he holds, is a member of the Organisation of the Covered Bondholders.
- 3.2 The purpose of the Organisation of the Covered Bondholders is to co-ordinate the exercise of the rights of the Covered Bondholders and, more generally, to take any action necessary or desirable to protect the interest of the Covered Bondholders.

TITLE II MEETINGS OF THE COVERED BONDHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

- 4.1 A Covered Bondholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented; or
- 4.2 A Covered Bondholder may also require the Principal Paying Agent to issue a Block Voting Instruction by arranging for Covered Bonds to be (to the satisfaction of the Principal Paying Agent) blocked in an account in a clearing system not later than 48 hours before the time fixed for the relevant Meeting.
- 4.3 A Voting Certificate or Block Voting Instruction issued pursuant to Article 4.2 shall be valid until the release of the Blocked Covered Bonds to which it relates.
- 4.4 So long as a Voting Certificate or Block Voting Instruction is valid, the person named therein as Holder or Proxy (in the case of a Voting Certificate issued by a Monte Titoli Account Holder), the bearer thereof (in the case of a Voting Certificate issued by the Principal Paying Agent), and any Proxy named therein (in the case of a Block Voting Instruction issued by the Principal Paying Agent) shall be deemed to be the Holder of the Covered Bonds to which it relates for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.
- 4.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Covered Bonds.
- 4.6 References to the blocking or release of Covered Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of any Relevant Clearing System.
- 4.7 The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Principal Paying Agent, or at any other place approved by the Representative of the Covered Bondholders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not

deposited before such deadline, it shall not be valid. If the Representative of the Covered Bondholders so requires, a notarised (or otherwise acceptable) copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Covered Bondholders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any holder of the Covered Bonds named in a Voting Certificate or a Block Voting Instruction.

6. CONVENING A MEETING

6.1 *Convening a Meeting*

The Representative of the Covered Bondholders, the Guarantor or the Issuer may and (in relation to a meeting for the passing of a Programme Resolution) the Issuer shall upon a requisition in writing signed by the holders of not less than 5 (five) per cent. of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer makes default for a period of 7 (seven) days in convening such a meeting upon requisition by the Covered Bondholders the same may be convened by the Representative of the Covered Bondholders or the holder proposing the requisition. The Representative of the Covered Bondholders may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Representative of the Covered Bondholders there is no conflict between the holders of the Covered Bonds of the relevant Series, or separate meetings if in its opinion there is a conflict of interest among the holders of the Covered Bonds of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.

6.2 *Meetings convened by Issuer*

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Covered Bondholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 *Time and place of Meetings*

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Covered Bondholders.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or videoconference, provided that:

- (a) the Chairman can ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;
- (b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;
- (c) each Voter attending via audio-conference or videoconference can follow and intervene in the discussions and vote the items on the agenda in real time;
- (d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment.

For the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

7. NOTICE

7.1 *Notice of Meeting*

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Covered Bondholders and the Principal Paying Agent, with a copy to the Issuer and the Guarantor, where the Meeting is convened by the Representative of the Covered Bondholders, or with a copy to the Representative of the Covered Bondholders and the Guarantor, where the Meeting is convened by the Issuer.

7.2 *Content of notice*

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Covered Bondholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented and that for the purpose of obtaining Block Voting Instruction from the Principal Paying Agent or appointing Proxies under a Voting Certificate or a Block Voting Instruction, a Voting Certificate must (to the satisfaction of the Principal Paying Agent) be released to the Principal Paying Agent and the Covered Bonds must be blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 *Validity notwithstanding lack of notice*

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Covered Bonds constituting all the Outstanding Principal Amount of the Covered Bonds, the Holders of which are entitled to attend and vote are represented at such Meeting and the Issuer and the Representative of the Covered Bondholders are present.

8. CHAIRMAN OF THE MEETING

8.1 *Appointment of Chairman*

An individual (who may, but need not be, a Covered Bondholder), nominated by the Representative of the Covered Bondholders may take the chair at any Meeting, but if:

- 8.1.1 the Representative of the Covered Bondholders fails to make a nomination; or
- 8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 *Duties of Chairman*

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and determines the mode of voting.

8.3 *Assistance to Chairman*

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more-vote counters, who are not required to be Covered Bondholders.

9. QUORUM

9.1 The quorum at any Meeting will be:

- 9.1.1 in the case of an Ordinary Resolution, two or more persons holding or representing at least 50

(fifty) per cent. of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding, the holders of which are entitled to attend and vote or, at an adjourned Meeting, two or more persons being or representing Covered Bondholders entitled to attend and vote, whatever the Outstanding Principal Amount of the Covered Bonds so held or represented; or

9.1.2 in the case of an Extraordinary Resolution or a Programme Resolution (subject as provided below), two or more persons holding or representing at least 50 (fifty) per cent. of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding, the holders of which are entitled to attend and vote or, at an adjourned Meeting, two or more persons being or representing Covered Bondholders entitled to attend and vote, whatever the Outstanding Principal Amount of the Covered Bonds so held or represented; or

9.1.3 at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 31.4 (*Obligation to act*) and Article 32.4 (*Obligation to exercise powers*), only be capable of being effected after having been approved by Extraordinary Resolution) namely:

- (a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;
- (b) alteration of the currency in which payments under the Covered Bonds are to be made;
- (c) alteration of the majority required to pass an Extraordinary Resolution;
- (d) any amendment to the Covered Bond Guarantee or the Deed of Pledge or the Deed of Charge (except in a manner determined by the Representative of the Covered Bondholders not to be materially prejudicial to the interests of the Covered Bondholders of any Series);
- (e) the sanctioning of any such scheme or proposal to effect the exchange, conversion or substitution of the Covered Bonds for, or the conversion of such Covered Bonds into, shares, bonds or other obligations or securities of the Issuer or the Guarantor or any other person or body corporate, formed or to be formed; and
- (f) alteration of this Article 9.1.3;

(each a "**Series Reserved Matter**"), the quorum shall be two or more persons being or representing holders of not less than two-thirds of the aggregate Outstanding Principal Amount of the Covered Bonds of such Series for the time being outstanding or, at any adjourned meeting, two or more persons being or representing not less than one-third of the aggregate Outstanding Principal Amount of the Covered Bonds of such Series for the time being outstanding,

provided that, if in respect of any Covered Bonds the Principal Paying Agent has received evidence that ninety per cent (90 per cent.) of the Outstanding Principal Amount of Covered Bonds then outstanding is held by a single Holder and the Voting Certificate or Block Voting Instruction so states, then a single Voter appointed in relation thereto or being the Holder of the Covered Bonds thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

9.2 In order to avoid conflict of interests that may arise as a result of the Issuer holding the Covered Bonds, those Covered Bonds of the relevant Series (if any) which are for the time being held by the Issuer or which may be in the future held by any Issuer's holding company or any Issuer's subsidiaries, shall (unless and until ceasing to be so held) be deemed not to remain "outstanding" for the purposes of the right to vote at any Meeting of Covered Bondholders duly convened by the Representative of the

Covered Bondholders in accordance with the Conditions and these Rules if called to resolve on matters where the Issuer is in a conflict of interests, *other than* in relation to a Series of Covered Bonds where the Issuer or any Issuer's holding company or any Issuer's subsidiaries hold all Covered Bonds in such Series, in which case such provision shall not apply.

10. ADJOURNMENT FOR WANT OF QUORUM

10.1 If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:

10.1.1 if such Meeting was convened upon the requisition of Covered Bondholders, the Meeting shall be dissolved; and

10.1.2 in any other case, the Meeting shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Representative of the Covered Bondholders).

10.2 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Representative of the Covered Bondholders) dissolve such meeting or adjourn the same for such period, being not less than 13 (thirteen) clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Representative of the Covered Bondholders.

11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for Want of Quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 *Notice required*

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10 (ten) days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 *Notice not required*

Except in the case of a Meeting to consider an Extraordinary Resolution, it shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for Want of Quorum*).

13. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

- (i) Voters;
- (ii) the directors and the auditors of the Issuer and the Guarantor;
- (iii) representatives of the Issuer, the Guarantor and the Representative of the Covered Bondholders;
- (iv) financial advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders;
- (v) legal advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders; and
- (vi) other person authorised by virtue of a resolution of such Meeting or by the Representative of the Covered Bondholders.

14. VOTING BY SHOW OF HANDS

- 14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.
- 14.2 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 or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. VOTING BY POLL

15.1 *Demand for a poll*

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Guarantor, the Representative of the Covered Bondholders or any one or more-Voters, whatever the Outstanding Principal Amount of the Covered Bonds held or represented by such Voter(s). A poll may be taken immediately or after such adjournment as is decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business. The result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

15.2 *The Chairman and a poll*

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted, and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 *Voting*

Each Voter shall have:

- 16.1.1 on a show of hands, one vote; and
- 16.1.2 on a poll every Voter who is present shall have one vote in respect of each Euro 1,000 or such other amount as the Representative of the Covered Bondholders may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Representative of the Covered Bondholders in its absolute discretion may stipulate) in the Outstanding Principal Amount of

the Covered Bonds it holds or represents.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

17. VOTING BY PROXY

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it has been given had been amended or revoked *provided that* none of the Issuer, the Representative of the Covered Bondholders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. RESOLUTIONS

18.1 Ordinary Resolutions

Subject to Article 18.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

- 18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and
- 18.1.2 to authorise the Representative of the Covered Bondholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

- 18.2.1 sanction any compromise or arrangement proposed to be made between the Issuer, the Guarantor, the Representative of the Covered Bondholders, the Covered Bondholders or any of them;
- 18.2.2 approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the Covered Bondholders, the Issuer, the Guarantor, the Covered Bondholders or any of them, whether such rights arise under the Transaction Documents or

otherwise, and (b) these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds, which, in any such case, shall be proposed by the Issuer, the Representative of the Covered Bondholders and/or any other party thereto;

- 18.2.3 assent to any modification of the provisions of these Rules or the Transaction Documents which shall be proposed by the Issuer, the Guarantor, the Representative of the Covered Bondholders or of any Covered Bondholder;
- 18.2.4 in accordance with Article 26 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Covered Bondholders;
- 18.2.5 direct the Representative of the Covered Bondholders to issue an Issuer Default Notice as a result of an Event of Default pursuant to Condition 12(a) (*Issuer Event of Default*) or a Guarantor Default Notice as a result of a Guarantor Event of Default pursuant to Condition 12(c) (*Guarantor Event of Default*);
- 18.2.6 discharge or exonerate, whether retrospectively or otherwise, the Representative of the Covered Bondholders from any Liability in relation to any act or omission for which the Representative of the Covered Bondholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;
- 18.2.7 waive any breach or authorise any proposed breach by the Issuer, the Guarantor or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Covered Bonds or any other Transaction Document or any act or omission which might otherwise constitute an Event of Default;
- 18.2.8 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;
- 18.2.9 authorise and ratify the actions of the Representative of the Covered Bondholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- 18.2.10 to appoint any persons (whether Covered Bondholders or not) as a committee to represent the interests of the Covered Bondholders and to confer on any such committee any powers which the Covered Bondholders could themselves exercise by Extraordinary Resolution; and
- 18.2.11 authorise the Representative of the Covered Bondholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

18.3 ***Programme Resolutions***

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the Covered Bondholders to take action: (i) pursuant to Condition 12(b)(iii) (*Effect of an Issuer Default Notice*), or (ii) pursuant to Condition 12(d)(iv) (*Effect of a Guarantor Default Notice – Enforcement*), or (iii) to appoint or remove the Representative of the Covered Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*), or (iv) to take any other action required by the Conditions or any Transaction Documents to be taken by Programme Resolution.

18.4 ***Other Series of Covered Bonds***

No Ordinary Resolution or Extraordinary Resolution other than a Programme Resolution that is passed by the Holders of one Series of Covered Bonds shall be effective in respect of another Series of Covered Bonds unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of Covered Bonds then outstanding of that other Series.

19. EFFECT OF RESOLUTIONS

19.1 *Binding nature*

Subject to Article 18.4 (*Other Series of Covered Bonds*), any resolution passed at a Meeting of the Covered Bondholders of any Series duly convened and held in accordance with these Rules shall be binding upon all Covered Bondholders of any such Series, whether or not present at such Meeting and or not voting. A Programme Resolution passed at any Meeting of the holders of the Covered Bonds of all Series shall be binding on all holders of the Covered Bonds of all Series, whether or not present at the meeting.

19.2 *Notice of voting results*

Notice of the results of every vote on a resolution duly considered by Covered Bondholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer, the Guarantor and the Representative of the Covered Bondholders within 14 days of the conclusion of each Meeting).

20. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Covered Bondholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

21. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting and entered in books provided by the Issuer for that purpose. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

22. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

23. INDIVIDUAL ACTIONS AND REMEDIES

Each Covered Bondholder has accepted and is bound by the provisions of Condition 17 (*Limited Recourse and Non Petition*) and, accordingly, if any Covered Bondholder is considering bringing individual actions or using other individual remedies to enforce his/her/its rights under the Covered Bond Guarantee (hereinafter, a "**Claiming Covered Bondholder**"), then such Claiming Covered Bondholder intending to enforce his/her/its rights under the Covered Bonds will notify the Representative of the Covered Bondholders of his/her/its intention. The Representative of the Covered Bondholders shall inform the other Covered Bondholders in accordance with Condition 18 (*Notices*) of such prospective individual actions and remedies and invite them to raise, in writing, any objection that they may have by a specific date not more than 30 (thirty) days after the date of the Representative of the Covered Bondholders' notification and not less than 10 (ten) days after such notification. If Covered Bondholders representing 5 (five) per cent. or more of the aggregate Outstanding Principal Amount of the Covered Bonds then outstanding object to such prospective individual actions and remedies, then the Claiming Covered Bondholder will be prevented from taking any individual action or remedy (without prejudice to the fact that, after a reasonable period of time, the same matter may be resubmitted to the Representative of the Covered Bondholders pursuant to the terms of this Article 23).

24. MEETINGS AND SEPARATE SERIES

24.1 *Choice of Meeting*

If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the

foregoing provisions of this Schedule shall have effect subject to the following modifications:

- 24.1.1 a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;
- 24.1.2 a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;
- 24.1.3 a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;
- 24.1.4 a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and
- 24.1.5 to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.

24.2 *Denominations other than Euro*

If the Issuer has issued and has outstanding Covered Bonds which are not denominated in Euro in the case of any Meeting or request in writing or Written Resolution of holders of Covered Bonds of more than one currency (whether in respect of the meeting or any adjourned such Meeting or any poll resulting therefrom or any such request or Written Resolution) the Outstanding Principal Amount of such Covered Bonds shall be the equivalent in Euro at the relevant Swap Rate. In such circumstances, on any poll each person present shall have one vote for each Euro 1.00 (or such other Euro amount as the Representative of the Covered Bondholders may in its absolute discretion stipulate) of the Outstanding Principal Amount of the Covered Bonds (converted as above) which he holds or represents.

25. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Covered Bondholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Covered Bondholders in its sole discretion may decide.

TITLE III THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

26. APPOINTMENT, REMOVAL AND REMUNERATION

26.1 *Appointment*

The appointment of the Representative of the Covered Bondholders takes place by Programme Resolution in accordance with the provisions of this Article 26, except for the appointment of the first Representative of the Covered Bondholders which will be Banca Finanziaria Internazionale S.p.A..

26.2 *Identity of Representative of the Covered Bondholders*

The Representative of the Covered Bondholders shall be:

- 26.2.1 a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- 26.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of Italian Legislative Decree No. 385 of 1993; or
- 26.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Covered Bondholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as Representative of the Covered Bondholders and, if appointed as such, they shall be automatically removed.

26.3 *Duration of appointment*

Unless the Representative of the Covered Bondholders is removed by Programme Resolution of the Covered Bondholders pursuant to Article 18.3 (*Programme Resolution*) or resigns pursuant to Article 27 (*Resignation of the Representative of the Covered Bondholders*), it shall remain in office until full repayment or cancellation of all the Covered Bonds.

26.4 *After termination*

In the event of a termination of the appointment of the Representative of the Covered Bondholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Covered Bondholders, which shall be an entity specified in Article 26.2 (*Identity of Representative of the Covered Bondholders*), accepts its appointment, and the powers and authority of the Representative of the Covered Bondholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Covered Bonds.

26.5 *Remuneration*

The Issuer, failing which the Guarantor, shall pay to the Representative of the Covered Bondholders an annual fee for its services as Representative of the Covered Bondholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Covered Bonds or in a separate fee letter. Such fees shall accrue from day-to-day and shall be payable in accordance with the priority of payments set out in the Intercreditor Agreement up to (and including) the date when all the Covered Bonds of whatever Series shall have been repaid in full or cancelled in accordance with the Conditions.

27. RESIGNATION OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

The Representative of the Covered Bondholders may resign at any time by giving at least three calendar months' written notice to the Issuer and the Guarantor, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Covered Bondholders shall not become effective until a new Representative of the Covered Bondholders has been appointed in accordance with Article 26.1 (*Appointment*) and such new Representative of the Covered Bondholders has accepted its appointment, *provided that* if Covered Bondholders fail to select a new Representative of the Covered Bondholders within three months of written notice of resignation delivered by the Representative of the Covered Bondholders, the Representative of the Covered Bondholders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (*Identity of the Representative of the Covered Bondholders*).

28. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

28.1 *Representative of the Covered Bondholders as legal representative*

The Representative of the Covered Bondholders is the legal representative of the Organisation of the Covered Bondholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Covered Bondholders.

28.2 Meetings and resolutions

Unless any Resolution provides to the contrary, the Representative of the Covered Bondholders is responsible for implementing all resolutions of the Covered Bondholders. The Representative of the Covered Bondholders has the right to convene and attend Meetings (together with its advisers) to propose any course of action which it considers from time to time necessary or desirable.

28.3 Delegation

The Representative of the Covered Bondholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

- 28.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Covered Bondholders;
- 28.3.2 whenever it considers it expedient and in the interest of the Covered Bondholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation pursuant to Article 28.3.1 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Covered Bondholders may think fit in the interest of the Covered Bondholders. The Representative of the Covered Bondholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, *provided that* the Representative of the Covered Bondholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Covered Bondholders shall, as soon as reasonably practicable, give notice to the Issuer and the Guarantor of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer and the Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

28.4 Judicial proceedings

The Representative of the Covered Bondholders is authorised to represent the Organisation of the Covered Bondholders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the Guarantor.

28.5 Consents given by Representative of Covered Bondholders

Any consent or approval given by the Representative of the Covered Bondholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.

28.6 Discretions

Save as expressly otherwise provided herein, the Representative of the Covered Bondholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Covered Bondholders by these Rules or by operation of law. The Representative of the Covered Bondholders shall not be responsible for any costs and expenses that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

28.7 *Obtaining instructions*

In connection with matters in respect of which the Representative of the Covered Bondholders is entitled to exercise its discretion hereunder, the Representative of the Covered Bondholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Covered Bondholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Covered Bondholders shall be entitled to request that the Covered Bondholders indemnify it and/or provide it with security as specified in Article 29.2 (*Specific Limitations*).

28.8 *Remedy*

The Representative of the Covered Bondholders may in its sole discretion determine whether or not a default in the performance by the Issuer or the Guarantor of any obligation under the provisions of these Rules, the Covered Bonds or any other Transaction Documents may be remedied, and if the Representative of the Covered Bondholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Covered Bondholders, the other creditors of the Guarantor and any other party to the Transaction Documents.

29. **EXONERATION OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS**

29.1 *Limited obligations*

The Representative of the Covered Bondholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

29.2 *Specific limitations*

Without limiting the generality of Article 29.1, the Representative of the Covered Bondholders:

- 29.2.1 shall not be under any obligation to take any steps to ascertain whether an Issuer Event of Default or a Guarantor Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Covered Bondholders hereunder or under any other Transaction Document, has occurred and, until the Representative of the Covered Bondholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Issuer Event of Default or a Guarantor Event of Default or such other event, condition or act has occurred;
- 29.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the Guarantor or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Covered Bondholders shall be entitled to assume that the Issuer or the Guarantor and each other party to the Transaction Documents are duly observing and performing all their respective obligations;
- 29.2.3 except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- 29.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
 - (i) the nature, status, creditworthiness or solvency of the Issuer or the Guarantor;

- (ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Programme;
 - (iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Master Servicer or the Servicers or compliance therewith;
 - (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authorisation in connection with the purchase or administration of the assets contained in the Cover Pool; and
 - (v) any accounts, books, records or files maintained by the Issuer, the Guarantor, the Master Servicer, the Servicers and the Principal Paying Agent or any other person in respect of the Cover Pool or the Covered Bonds;
- 29.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Covered Bonds or the distribution of any of such proceeds to the persons entitled thereto;
- 29.2.6 shall have no responsibility for procuring or maintaining any rating of the Covered Bonds by any credit or rating agency or any other person;
- 29.2.7 shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Covered Bondholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- 29.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- 29.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Guarantor in relation to the assets contained in the Cover Pool or any part thereof, whether such defect or failure was known to the Representative of the Covered Bondholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- 29.2.10 shall not be under any obligation to guarantee or procure the repayment of the Mortgage Loans contained in the Cover Pool or any part thereof;
- 29.2.11 shall not be responsible for reviewing or investigating any report relating to the Cover Pool or any part thereof provided by any person;
- 29.2.12 shall not be responsible for or have any Liability with respect to any loss or damage arising from the realisation of the Cover Pool or any part thereof;
- 29.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Covered Bonds, the Cover Pool or any Transaction Document;
- 29.2.14 shall not be under any obligation to insure the Cover Pool or any part thereof;
- 29.2.15 shall, when in these Rules or any Transaction Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Covered Bondholders, have regard to the overall interests of the Covered Bondholders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for

- individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority;
- 29.2.16 shall not, if in connection with the exercise of its powers, trusts, authorities or discretions, it is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a written resolution of such Covered Bondholders holding not less than 25 (twenty-five) per cent. of the Outstanding Principal Amount of the Covered Bonds of the relevant Series then outstanding;
- 29.2.17 shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the Covered Bondholders and the other creditors of the Issuer or the Guarantor but if, in the opinion of the Representative of the Covered Bondholders, there is a conflict between their interests the Representative of the Covered Bondholders will have regard solely to the interest of the Covered Bondholders;
- 29.2.18 shall not (unless and to the extent ordered so to do by a court of competent jurisdiction or by any competent authority) be under any obligation to disclose to any Covered Bondholders, any Other Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Covered Bondholders by the Issuer, by the Guarantor or any other person in connection with these Rules, the Covered Bonds or any other Programme Documents, and none of the Covered Bondholders, Other Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Covered Bondholders any such information;
- 29.2.19 shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interest of the Covered Bondholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agency, and has ground to believe that the then current rating of the Covered Bonds would not be adversely affected by such exercise. If the Representative of the Covered Bondholders, in order to properly exercise its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agency regarding how a specific act would affect the rating of the Covered Bonds, the Representative of the Covered Bondholders shall so inform the Issuer and the Guarantor and, in agreement with the Issuer, may seek to obtain the valuation at the Issuer's expense on behalf of the Representative of the Covered Bondholders;
- 29.2.20 may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing contained in these Rules or any of the other Transaction Documents shall require the Representative of the Covered Bondholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and
- 29.2.21 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, the Guarantor, any Covered Bondholder, any Other Creditor or any other person as a result of any determination, any act, matter or thing that will not be materially prejudicial to the interests of the Covered Bondholders as a whole or the interests of the Covered Bondholders of any Series.

29.3 *Covered Bonds held by Issuer*

The Representative of the Covered Bondholders may assume without enquiry that no Covered Bonds are, at any given time, held by or for the benefit of the Issuer or the Guarantor.

29.4 *Illegality*

No provision of these Rules shall require the Representative of the Covered Bondholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Covered Bondholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or Liabilities which it may incur as a consequence of such action. The Representative of the Covered Bondholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

30. **RELIANCE ON INFORMATION**

30.1 *Advice*

The Representative of the Covered Bondholders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the Guarantor, the Representative of the Covered Bondholders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Covered Bondholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic and, in circumstances where in the opinion of the Representative of the Covered Bondholders to obtain such advice on any other basis is not practicable, notwithstanding any limitation of or cap on liability in respect thereof.

30.2 *Certificates of Issuer and/or Guarantor*

The Representative of the Covered Bondholders may require, and shall be at liberty to accept (a) as sufficient evidence

30.2.1 as to any fact or matter *prima facie* within the Issuer's or the Guarantor's knowledge, a certificate duly signed by a director of the Issuer or (as the case may be) the Guarantor;

30.2.2 that such is the case, a certificate of a director of the Issuer or (as the case may be) the Guarantor to the effect that any particular dealing, transaction, step or thing is expedient,

and the Representative of the Covered Bondholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

30.3 *Resolution or direction of Covered Bondholders*

The Representative of the Covered Bondholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Covered Bondholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Covered Bondholders.

30.4 *Certificates of Monte Titoli Account Holders*

The Representative of the Covered Bondholders, in order to ascertain ownership of the Covered Bonds, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented, which certificates are to be conclusive proof of the matters certified therein.

30.5 *Clearing Systems*

The Representative of the Covered Bondholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Covered Bondholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Covered Bonds.

30.6 *Certificates of Parties to Transaction Document*

The Representative of the Covered Bondholders shall have the right to call for or require the Issuer or the Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the Guarantor) to the Intercreditor Agreement or any other Transaction Document,

- 30.6.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;
- 30.6.2 as any matter or fact *prima facie* within the knowledge of such party; or
- 30.6.3 as to such party's opinion with respect to any issue

and the Representative of the Covered Bondholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

30.7 *Auditors*

The Representative of the Covered Bondholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

31. **AMENDMENTS AND MODIFICATIONS**

31.1 *Modification*

The Representative of the Covered Bondholders may at any time and from time to time and without the consent or sanction of the Covered Bondholders of any Series concur with the Issuer and/or the Guarantor and any other relevant parties in making any modification (and for this purpose the Representative of the Covered Bondholders may disregard whether any such modification relates to a Series Reserved Matter) as follows:

- 31.1.1 to these Rules, the Conditions and/or the other Transaction Documents which, in the sole opinion of the Representative of the Covered Bondholders, it may be expedient to make *provided that* the Representative of the Covered Bondholders is of the opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series; and
- 31.1.2 to these Rules, the Conditions and/or the other Transaction Documents which is of a formal, minor, administrative or technical nature or to comply with mandatory provisions of law;

31.1.3 to these Rules, the Conditions and/or the other Transaction Documents which, in the opinion of the Representative of the Covered Bondholders, is to correct a manifest error or an error established as such to the satisfaction of the Representative of the Covered Bondholders; and

31.1.4 to these Rules, the Conditions and/or the other Transaction Documents which is necessary or appropriate in order to comply with the EU Directive on Covered Bonds, any national provisions implementing the EU Directive on Covered Bonds and/or any other applicable law or regulations.

31.2 ***Binding Nature***

Any such modification may be made on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders may determine, shall be binding upon the Covered Bondholders and, unless the Representative of the Covered Bondholders otherwise agrees, shall be notified by the Issuer or the Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

31.3 ***Establishing an error***

In establishing whether an error is established as such, the Representative of the Covered Bondholders may have regard to any evidence on which the Representative of the Covered Bondholders considers it appropriate to rely and may, but shall not be obliged to, have regard to any of the following:

31.3.1 a certificate from the Arranger:

- (i) stating the intention of the parties to the relevant Transaction Document;
- (ii) confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention; and
- (iii) stating the modification to the relevant Transaction Document that is required to reflect such intention; and

31.3.2 confirmation from the relevant credit rating agencies that, after giving effect to such modification, the Covered Bonds shall continue to have the same credit ratings as those assigned to them immediately prior to the modification.

31.4 ***Obligation to act***

The Representative of the Covered Bondholders shall be bound to concur with the Issuer and the Guarantor and any other party in making any modifications to these Rules, the Conditions and/or the other Transaction Documents if it is so directed by a Programme Resolution and then only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

32. **WAIVER**

32.1 ***Waiver of Breach***

The Representative of the Covered Bondholders may at any time and from time to time without the consent or sanction of the Covered Bondholders of any Series and, without prejudice to its rights in respect of any subsequent breach, condition, or event but only if, and in so far as, in its opinion the interests of the Holders of the Covered Bonds of any Series then outstanding shall not be materially prejudiced thereby:

32.1.1 authorise or waive, any proposed breach or breach by the Issuer or the Guarantor of any of the covenants or provisions contained in the Covered Bond Guarantee these Rules or the other Transaction Documents; or

32.1.2 determine that any Issuer Event of Default or Guarantor Event of Default shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Covered Bondholders.

32.2 *Binding Nature*

Any authorisation, or, waiver or determination may be given on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders may determine, shall be binding on all Bondholders and, if the Representative of the Covered Bondholders so requires, shall be notified to the Bondholders and the Other Creditors by the Issuer or the Guarantor, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

32.3 *Restriction on powers*

The Representative of the Covered Bondholders shall not exercise any powers conferred upon it by this Article 32 (*Waiver*) in contravention of any express direction by an Programme Resolution, but so that no such direction shall affect any authorisation, waiver or determination previously given or made.

32.4 *Obligation to exercise powers*

The Representative of the Covered Bondholders shall be bound to waive or authorise any breach or proposed breach by the Issuer or the Guarantor of any of the covenants or provisions contained in the Guarantee, these Rules or any of the other Transaction Documents or determine that any Issuer Event of Default or Guarantor Event of Default shall not be treated as such if it is so directed by an Programme Resolution and then only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

32.5 *Notice of waiver*

If the Representative of the Covered Bondholders so requires, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Covered Bondholders and the Other Creditors, as soon as practicable after it has been given or made in accordance with Condition 18 (*Notices*).

33. INDEMNITY

Pursuant to the Programme Agreement, each Subscription Agreement and other document been agreed between the Issuer and the Relevant Dealer(s), the Issuer, failing which the Guarantor, has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis), to the extent not already reimbursed, paid or discharged by the Covered Bondholders, all costs, liabilities, expenses and claims (including without limitation legal fees and any applicable value added tax or similar taxes) duly documented and properly and reasonably incurred by or made against the Representative of the Covered Bondholders or any entity to which the Representative of the Covered Bondholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to legal expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Covered Bondholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Covered Bondholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the Covered Bonds or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Covered Bondholders.

34. LIABILITY

Notwithstanding any other provision of these Rules, the Representative of the Covered Bondholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents,

the Covered Bonds, the Conditions or the Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

35. SECURITY DOCUMENTS

35.1 *The Deed of Pledge*

The Representative of the Covered Bondholders shall have the right to exercise all the rights granted by the Guarantor to the Covered Bondholders pursuant to the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to in this Article 35 as the "**Secured Bondholders**".

35.2 *Rights of Representative of the Covered Bondholders*

35.2.1 The Representative of the Covered Bondholders, acting on behalf of the Secured Bondholders, shall be entitled to appoint and entrust the Guarantor to collect, in the Secured Bondholders' interest and on their behalf, any amount deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Guarantor, to the respective debtors of the pledged claims to make the payments related to such claims to any account opened in the name of the Guarantor and appropriate for such purpose;

35.2.2 The Secured Bondholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to any such account opened in the name of the Guarantor and appropriate of such purpose which is not in accordance with the provisions of this Article 35. The Representative of the Covered Bondholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Deeds of Pledge except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

TITLE IV

THE ORGANISATION OF THE COVERED BONDHOLDERS AFTER SERVICE OF A GUARANTOR DEFAULT NOTICE

36. POWERS TO ACT ON BEHALF OF THE GUARANTOR

It is hereby acknowledged that, upon service of a Guarantor Default Notice or, prior to service of a Guarantor Default Notice, following the failure of the Guarantor to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Covered Bondholders, in its capacity as legal representative of the Organisation of the Covered Bondholders, shall be entitled (also in the interests of the Other Creditors) pursuant to Articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Cover Pool. Therefore, the Representative of the Covered Bondholders, in its capacity as legal representative of the Organisation of the Covered Bondholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Guarantor and as *mandatario in rem propriam* of the Guarantor, any and all of the Guarantor's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

37. GOVERNING LAW

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

38. JURISDICTION

The Courts of Rome will have jurisdiction to law and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Covered Bonds 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 (“**MiFID II**”); (ii) a customer within the meaning of Directive (UE) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds 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 Covered Bonds 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (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. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]²

[MiFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of each of the manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (“**MiFID II**”) / [MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or

¹ Legend to be included on front of the Final Terms if the Covered Bonds potentially constitute “packaged” products 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 front of the Final Terms if the Covered Bonds 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”

recommending the Covered Bonds (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

ICCREA Banca S.p.A.

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

Issue of [Aggregate Nominal Amount of Tranche] [Description] Covered Bonds due

[Maturity]

unconditionally and irrevocably guaranteed as to payments of interest and principal by

Iccrea Covered Bond S.r.l.

(incorporated as a limited liability company under the laws of the Republic of Italy and registered at the Companies' Registry of Rome under registration number 15231571009)

under the Euro 10,000,000,000 Covered Bond Programme

PART A

CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated [●] which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Covered Bond described herein for the purposes of Article 8 of the Prospectus Regulation. These Final Terms contain the final terms of the Covered Bonds and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus[,]

including the supplement[s]] [is/are] available for viewing at the website of the Luxembourg Stock Exchange at www.bourse.lu. These Final Terms will be published on website of the Luxembourg Stock Exchange at www.bourse.lu.

(Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.). [When completing any final terms consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]

1. (i) Series Number: [•]
- (ii) Tranche Number: [•]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount: [•]
 - (i) Series: [•]
 - (ii) Tranches: [•]
4. Issue Price: [•] per cent. of the aggregate nominal amount
5. (i) Specified Denominations: € 100,000 [plus integral multiples of € [1,000] in excess thereof] *(Include the wording in square brackets where the Specified Denomination is Euro 100,000 or equivalent plus multiples of a lower principal amount)*
- (ii) Calculation Amount: [•]
6. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
7. Maturity Date: [Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year]
8. Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Covered Bond Guarantee: [Not applicable/Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year] (as referred to in Condition 9(b))
9. Interest Basis: [[•] per cent. Fixed Rate]
 [[Specify reference rate] +/- [Margin] per cent. Floating Rate]

[Zero Coupon (as referred to in Condition 7)]

[(further particulars specified in items 15 / 16 / 17 below)]

10. Redemption/Payment Basis:

[Subject to any purchase and cancellation or early redemption, the Covered Bonds (other than Zero Coupon Covered Bonds) will be redeemed on the Maturity Date at par (as referred to in Condition 9(a))] / [Subject to any purchase and cancellation or early redemption, Instalment Covered Bonds will be redeemed at par on the payment dates and the relevant amounts specified in item 23 / [Subject to any purchase and cancellation or early redemption, Zero Coupon Covered Bonds will be redeemed on the Maturity Date at [[•] (*insert an amount above 100%*)/[100]] per cent. of their nominal amount.] (as referred to in Condition 9(h)) / [Instalment] [Subject to any purchase and cancellation or early redemption, the Covered Bonds shall be redeemed in the Covered Bond Instalment Amounts and on the Covered Bond Instalment Dates set out in paragraph 23 below]

11. Change of Interest Basis:

[Not Applicable] / [•] (*insert details of the interest basis applicable*)

12. Put/Call Options:

[Not Applicable]

[Put Option (as referred to in Condition 9(f))]

[Call Option (as referred to in Condition 9(d))]

[(further particulars specified in items [18] / [19] below)]

13. [Date of [Board] approval for issuance of Covered Bonds [and of receipt of Covered Bond Guarantee]:

[•] [and [•]], respectively

(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Covered Bonds or related Covered Bond Guarantee)

14. Method of distribution:

[Syndicated/Non-syndicated]

Provisions Relating to Interest (if any) Payable

15. **Fixed Rate Provisions**

[Applicable/Not Applicable] (as referred to in Condition 5) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Rate(s) of Interest:

[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s):

[•] in each year [adjusted in accordance with [Following Business Day Convention] / [FRN

	Convention, Floating Rate Convention or Eurodollar Convention] / [Modified Following Business Day Convention or Modified Business Day Convention] / [Preceding Business Day Convention] (<i>specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"</i>) / [not adjusted]
(iii) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
(iv) Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
(v) Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]
(vi) Step-up in accordance with Condition 8	[Applicable/Not Applicable]
[- Step-Up Event	[•]/Not Applicable]
[- Step-Up Margin	[•] per cent. per annum]
16. Floating Rate Provisions	[Applicable/Not Applicable] (as referred to in Condition 6) (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i) Interest Period(s):	[•]
(ii) Specified Period:	[•]
	(<i>Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"</i>)
(iii) Interest Payment Dates:	[•] (<i>Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"</i>)
(iv) First Interest Payment Date:	[•]
(v) Business Day Convention:	[Floating Rate Convention/Following Business Day

	Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(vi) Additional Business Centre(s):	[Not Applicable/ <i>Insert relevant place for Additional Business Centre</i>]
(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination / ISDA Determination]
(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal	[•] / [Not Applicable]
(ix) Screen Rate Determination:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
• Reference Rate:	[For example EURIBOR]
• Interest Determination Date(s):	[•]
• Relevant Screen Page:	[For example Reuters EURIBOR 01]
• Relevant Time:	[For example, 11.00 a.m. London time/Brussels time]
• Relevant Financial Centre:	[For example, Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
(x) ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
• Floating Rate Option:	[•]
• Designated Maturity:	[•]
• Reset Date:	[•]
(xi) Margin(s):	[+/-][•] per cent. per annum
(xii) Minimum Rate of Interest:	[•] per cent. per annum
(xiii) Maximum Rate of Interest:	[•] per cent. per annum
(xiv) Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]
(xv) Step-up in accordance with	[Applicable/Not Applicable]

Condition 8

[- Step-Up Event

[•]/Not Applicable]

[- Step-Up Margin

[•] per cent. per annum]

17. Zero Coupon Provisions

[Applicable/Not Applicable] (as referred to in Condition 7)

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield:

[•] per cent. per annum

(ii) Reference Price:

[•]

Provisions Relating to Redemption

18. Call Option

[Applicable/Not Applicable] (as referred to in Condition 9(d))

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s):

[•]

(ii) Optional Redemption Amount(s) of Covered Bonds:

[•] per Calculation Amount

(iii) If redeemable in part:

Minimum Redemption Amount

[[•] per Calculation Amount/Not Applicable]

Maximum Redemption Amount:

[[•] per Calculation Amount/Not Applicable]

(iv) Notice period:

[•]

19. Put Option

[Applicable/Not Applicable] (as referred to in Condition 9(f))

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s):

[•]

(ii) Optional Redemption Amount(s) of each Covered Bonds:

[•] per Calculation Amount

(iii) Notice period:

[•]

20. Final Redemption Amount

[•] per Calculation Amount

(The Final Redemption Amount in respect of any Series of Covered Bonds other than Zero Coupon Covered Bonds shall be equal to the nominal amount of the relevant Covered Bonds)

21. Early Redemption Amount

[Not Applicable/ [•] per Calculation Amount] (as referred to in Condition 9)

Early redemption amount(s) per

(If both the Early Redemption Amount and the Early

Calculation Amount payable on Termination Amount are the principal amount of the redemption for taxation reasons or on Covered Bonds/specify the Early Redemption Amount acceleration following a Guarantor Event and/or the Early Termination Amount if different from of Default: the principal amount of the Covered Bonds)

General Provisions Applicable To The Covered Bonds

22. Additional Financial Centre(s): [Not Applicable/Insert place for Additional Financial Centre]
- [Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii) and 16 (vi) relate]
23. Details relating to Covered Bonds for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made: [[Not Applicable/[•]]]
- [The Covered Bonds shall be redeemed on each date set out below (each a "**Covered Bond Instalment Date**") in the amounts set out below (each a "**Covered Bond Instalment Amount**").

Covered Bond Instalment Date	Covered Bond Instalment Amount
[•]	[•]
[•]	[•]
[Maturity Date]	All outstanding Covered Bonds not previously redeemed]

Third party information

[(Relevant third party information) has been extracted from (specify source). Each of the Issuer and the Guarantor 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

Iccrea Banca S.p.A.

By:

Duly authorised

Signed on behalf of

Iccrea Covered Bond S.r.l.

By:

Duly authorised

PART B
OTHER INFORMATION

1. Listing And Admission To Trading

- (i) Listing: [Official List of the Luxembourg Stock Exchange /
(*specify other*) / None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its
behalf) for the Covered Bonds to be admitted to
trading on [the regulated market of the Luxembourg
Stock Exchange/*specify other regulated market*] with
effect from [●].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●]

2. Ratings:

The Covered Bonds to be issued have been rated:

[Moody's: [●]] [Insert brief explanation of the meaning
of the rating if this has been previously published by
Moody's]]

[[Other]: [●]] [Insert brief explanation of the meaning of
the rating if this has been previously published by
[Other]]]

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

[Each of the Rating Agencies is established in the
European Union and is registered under Regulation
(EC) No. 1060/2009 (as amended) (the “**EU CRA
Regulation**”)]

*(Insert the following where the relevant credit rating
agency is not established in the EEA)*

*[[Insert legal name of particular credit rating agency
entity providing rating] is not established in the EEA
[but the rating it has given to the Covered Bonds is
endorsed by [insert legal name of credit rating
agency], which is established in the EEA and is
included in the list of registered credit rating agencies
published on the website of the European Securities
and Markets Authority at [http://
www.esma.europa.eu/supervision/credit-rating-
agencies/risk as being registered](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk-as-being-registered)] / [but is certified] /*

[and is not certified under nor is the rating it has given to the Covered Bonds endorsed by a credit rating agency established in the EEA and registered] under Regulation (EC) No. 1060/2009, as amended (the “EU CRA Regulation”).]

In general, European regulated investors are restricted from using a rating for regulatory purposes unless such rating is (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA registered under the EU CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “UK CRA Regulation”) unless (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.

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

3. Interests of Natural and Legal Persons Involved in the Issue/Offer

[Save for any fees payable to the Dealer(s),] so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.

(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.)

4. Reasons for the offer, estimated net proceeds and total expenses

Reasons for the offer/use of proceeds:

[•] [See [“Use of Proceeds”] in Base Prospectus]

(If use of proceeds is different from what is disclosed in the Base Prospectus, include those use of proceeds

here. If the Covered Bonds are Social Covered Bonds or Green Covered Bonds or Sustainability Covered Bonds describe the relevant projects to which the net proceeds of the Tranche of Covered Bonds will be applied and refer to the website of the Issuer where the relevant framework is published.)]

Estimated net amounts of proceeds: [•]

Estimated expenses in relation to the admission to trading: [•] *(Include breakdown of expenses)*

5. **Fixed Rate Covered Bonds only – Yield**

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

6. **Floating Rate Covered Bonds only – Historic Interest Rates**

[Details of historic [EURIBOR/other] rates can be obtained from [Reuters] / [•] on the screen page [•]] / [Not Applicable].

Benchmarks

*Amounts payable under the Covered Bonds will be calculated by reference to [•] which is provided by [•]. As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**).*

[As far as the Issuer is aware, [•] does/does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation] / [the transitional provisions in Article 51 of the Benchmarks Regulation apply], such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

7. **Distribution**

(i) If syndicated, names of Managers: [Not Applicable / [•]]

(ii) Stabilising Manager(s) (if any): [Not Applicable / [•]]

If non-syndicated, name of Dealer: [Not Applicable / [•]]

U.S. Selling Restrictions: [Reg. S Compliance Category: TEFRA C/TEFRA D/TEFRA not applicable]

[Date of [Subscription] Agreement] or of other contractual arrangement to subscribe the Covered Bonds: [Not Applicable / [•]]

Prohibition of Sales to EEA Retail
Investors:

[Applicable/Not Applicable]

(If the Covered Bonds clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified)

Prohibition of Sales to UK Retail
Investors:

[Applicable/Not Applicable]

(If the Covered Bonds clearly do not constitute "packaged" products, or the Covered Bonds do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products, "Applicable" should be specified)

8. Operational Information

ISIN Code:

[•]

Common Code:

[•] (if available)

[CFI:

[[•]], 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]

FISN:

[[•]] 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]]

Any Relevant Clearing System(s) other than Monte Titoli S.p.A. Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):

[Not Applicable / [____].]

Address of any Relevant Clearing System(s) other than Monte Titoli S.p.A., Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme

[Not Applicable / [____].]

Delivery:

Delivery [against/free of] payment.

Names and Specified Offices of additional
Paying Agent(s) (if any):

[•]

Calculation Agent(s) (if any): [•]

Listing Agent(s) (if any): [•]

Representative of the Covered Bondholders (if any): [•]

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

[Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be held in a form which would allow Eurosystem eligibility (i.e. issued in dematerialised form (*emessa in forma dematerializzata*) and wholly and exclusively deposited with Monte Titoli in accordance with 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in article 83-*quater* of such legislative decree) and does not necessarily mean that the Covered Bonds 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 the ECB being satisfied that Eurosystem eligibility criteria have been met.]

USE OF PROCEEDS

The net proceeds of the sale of the Covered Bonds will be used by the Issuer as indicated in the relevant Final Terms, which will be one or more of the following:

- (a) for general funding purposes of the Issuer and the *Gruppo Bancario Cooperativo Iccrea*; and
- (b) to finance or refinance, in whole or in part, Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects (each, as defined below).

In relation to (b) above, in accordance with the relevant definition criteria set out by ICMA from time to time:

- (a) only Series or Tranches of Covered Bonds financing or refinancing Eligible Green Projects will be denominated “Green Covered Bonds”;
- (b) only Series or Tranches of Covered Bonds financing or refinancing Eligible Social Projects will be denominated “Social Covered Bonds”; and
- (c) only Series or Tranches of Covered Bonds financing or refinancing Eligible Sustainability Projects will be denominated “Sustainability Covered Bonds”.

In the event of a project divestment or if a project no longer meets the eligibility criteria, an amount equal to the net proceeds of the “Green Covered Bonds”, “Social Covered Bonds” or “Sustainability Covered Bonds” will be used to finance or refinance other projects qualifying as Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects, as the case may be.

Green Covered Bonds

For the purpose of this section, “Eligible Green Projects” means projects with positive environmental outcomes, in accordance with the broad categorisation of eligibility for green projects pursuant to the then applicable Green Bond Principles published by ICMA, as will be further specified under a framework to be published, once it will be approved by the Issuer, on a dedicated section of the Issuer’s website that will be specified in the relevant Final Terms.

Social Covered Bonds

For the purpose of this section, “Eligible Social Projects” means projects with positive social outcomes, in accordance with the broad categorisation of eligibility for social projects pursuant to the then applicable Social Bond Principles published by ICMA, as will be further specified under a framework to be published, once it will be approved by the Issuer, on a dedicated section of the Issuer’s website that will be specified in the relevant Final Terms.

Sustainability Covered Bonds

For the purpose of this section, “Eligible Sustainability Projects” means projects with positive environmental and social outcomes, in accordance with the applicable Sustainability Bond Guidelines published by ICMA (involving a combination of its Green Bond Principles and Social Bond Principles), as will be further specified under a framework to be published, once it will be approved by the Issuer, on a dedicated section of the Issuer’s website that will be specified in the relevant Final Terms.

For the avoidance of doubt, such framework for Green Covered Bonds, Social Covered Bonds or Sustainable Covered Bonds will not constitute part of this Base Prospectus. Please refer to item “Websites” in the section “General Information”.

Second-party Opinion

Where the Final Terms specify that the proceeds to the Covered Bonds will be used to finance or refinance Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects (in whole or in part), the Issuer may appoint consultants and/or institutions with recognised expertise in environmental sustainability to issue a second-party opinion (a “**Second-party Opinion**”) attesting that the relevant projects have been defined in accordance with the broad categorisation of eligibility for those projects set out by ICMA.

The Final Terms relating to such Covered Bonds will specify (to the extent known at the relevant date):

- (i) further details of the Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects selected by the Issuer for financing and/or refinancing with the net proceeds of the issue of the Covered Bonds;
- (ii) where a list of the relevant projects is or will be available for viewing by Covered Bondholders; and
- (iii) details of periodic updates, including an updated list of the relevant projects financed and/or refinanced with the net proceeds of the Covered Bonds, the amounts allocated and their expected impact, any ongoing process of verification, information on key performance indicators relating to such projects and where that information will be made available for viewing by Covered Bondholders.

THE ISSUER

Introduction

ICCREA Banca S.p.A. (the "**Issuer**") is a bank incorporated in Italy as a limited liability company (*società per azioni*). The full legal name of the Issuer is "Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo", and its abbreviated form is "Iccrea Banca S.p.A.".

The Issuer, a member of Gruppo IVA Gruppo Bancario Cooperativo Iccrea, is registered in the companies register of Rome under tax code and registration number 04774801007, VAT number 15240741007 and with the register of banks held by the Bank of Italy under number 5251. Its registered office is located at Via Lucrezia Romana 41/47, 00178 Rome (Italy) and its telephone number is +39 06 72071. The Issuer's website is <https://www.iccreabanca.it>.

The Issuer's business authorisation is valid until 31 December 2050, with the possibility of this term being extended by an extraordinary shareholders' meeting under article 2 of the Issuer's by-laws.

In February 2016, Law Decree No. 18 of 14 February 2016 was published in the Official Gazette of the Italian Republic (and subsequently converted into law with amendments by Law no. 49/2016) (the "**BCC Reform Law**") introducing a series of important reforming measures for Italy's cooperative credit banks (*banche di credito cooperativo*).

The Issuer has since undergone a corporate reorganisation pursuant to the BCC Reform Law, and has become group head company (*capogruppo* for the purposes of the BCC Reform Law) of the Iccrea Cooperative Banking Group (*Gruppo Bancario Cooperativo Iccrea*) (the "**Group**") which, at the date of this Base Prospectus comprises 130 cooperative credit banks (*banche di credito cooperativo*) (the "**BCCs**") and the Group Companies (defined below).

As at the date of this Base Prospectus, 96.189% of the Issuer's shares are held by the BCCs, Cassa Centrale Banca del Nord-Est, Raiffeisen Landesbank Sudtirol Cassa Centrale dell'Alto Adige and certain other banks. The remaining shares in the Issuer are owned by other entities permitted under the BCC Reform Law. For more information, see "*Shareholdings in the Issuer*" below.

The Issuer has majority shareholdings in the following companies which, together with the BCCs and the Issuer form the Group: Iccrea BancaImpresa S.p.A. (100% as of 29 December 2020), BCC Factoring S.p.A. (100% as of 1 January 2021), BCC Lease S.p.A., BCC CreditoConsumo S.p.A. (100% as of 21 December 2020), BCC Risparmio&Previdenza SGR (100% as of 14 January 2021), Banca Sviluppo S.p.A., BCC Gestione Crediti S.p.A., In.Cra. S.r.l., BCC Beni Immobili S.r.l., Sinergia Sistemi di Servizi S.p.A., Sigest S.r.l., Banca Mediocredito FVG S.p.A., BCC Solutions S.p.A., Immobiliare Banca d'Alba S.r.l., BCC Sistemi Informatici S.c.p.A., BIT S.p.A., Brianza Elaborazione Dati S.p.A., Coopersystem Società Cooperativa S.p.A., Sirius Project S.r.l., BCC Servizi Assicurativi S.r.l. and Iccrea Covered Bond S.r.l. (the "**Group Companies**").

In addition, the Issuer has controlling shareholdings in the following companies: FDR Gestione Crediti S.p.A. (100%), MoCRA (96,22%), BCC Pay S.p.A. (100%) and Accademia BCC in liquidation (100%). The Issuer also holds minority participations in BCC Assicurazioni S.p.A. (30.35%), BCC Vita S.p.A (30.35%), Hi-Mtf Sim S.p.A. (25%) and H-Benchmark (10%). Such companies fall outside the perimeter of the Group.

History and Development

The origins of the Issuer and its current corporate structure can be traced back to the 1960's. "*Istituto di Credito delle Casse Rurali e Artigiane*" abbreviated "ICCREA", (Credit Institution of Rural and Artisan Banks), (the

"**Credit Institution**") was incorporated on 30 November 1963, with approximately 190 rural banks signing its charter.

In the early years of its business activities, the Credit Institution provided services to a growing number of banks. During the early 1970's the number of client banks and rural banks to which the Credit Institution was providing services continued to expand, resulting in the establishment of separate departments providing banking services, in order to better serve the companies within the Group.

In 1975, the *Fondo Centrale di Garanzia* was also established. This was one of the first examples in Italy of a funding system providing key financial and credit services to a network of banking institutions.

Twenty years after its establishment, and following high growth in the agricultural banking system, the role of the Credit Institution became increasingly important.

In 1985, the *Sezione Speciale per il Credito alla Cooperazione* at BNL (the department of Banca Nazionale del Lavoro specialising in lending to rural business cooperatives) authorised the Credit Institution to provide finance to rural banks, which then enabled them to grant loans to various cooperatives.

During the same year, the Credit Institution increased its share capital to 80 billion Italian liras and established a company named "Coogestioni" (now Fondo Aureo) to manage mutual funds, which came on to the market launching the fund named "Aureo".

In 1992, the Credit Institution became a member of the UNICO Banking Group, a partnership of European co-operative banks founded in 1977, which resulted in an expansion of its presence in the European market.

In 1995, the Issuer was established, and the banking activities of the Credit Institution were transferred to the Issuer.

On 1 July 1995, the Issuer became an official member of the UNICO Banking Group.

In 1997, the Issuer joined the newly established "*Fondo di Garanzia dei Depositanti del Credito Cooperativo*", and a year later it became active in a number of the divisions of the Milan stock exchange (including in shares, bonds and derivatives). Ultimately the Issuer became a primary dealer on the wholesale market for Government bonds.

On 29 July 1999, by an extraordinary resolution of the shareholders, the name of Iccrea S.p.A. was changed to "ICCREA BANCA – *Istituto Centrale del Credito Cooperativo* – joint-stock company" with effect from 1 January 2000.

In 2000, the Issuer launched a complex and strategic reorganisation of its banking businesses/operations with the aim of bringing itself closer to credit cooperative banks and their markets. The Issuer's share capital was 420 billion Italian liras and, on 22 September 2000 the board of directors agreed to its conversion to Euro 216,913,200.

Recent events

Pursuant to the BCC Reform Law, cooperative credit banks (*banche di credito cooperativo*) can join a cooperative banking group (*gruppo bancario cooperativo*) as long as the group head company (*capogruppo* for the purposes of the BCC Reform Law) is a public limited company with assets of no less than Euro 1 billion. Under the BCC Reform Law, the group head company is required to perform certain management and coordination activities pursuant to a cohesion contract (*contratto di coesione*) that is entered into between the members of the relevant banking group. Adherence to such a cooperative banking group and the entering into a cohesion contract with the group head are pre-conditions for obtaining authorisation, from the Bank of Italy, for a bank to operate banking activities in the form of a cooperative credit bank.

In line with the BCC Reform Law described above, on 1 June 2016, the Bank of Italy authorised the reverse merger of Iccrea Banca S.p.A. and Iccrea Holding S.p.A pursuant to Article 57 of Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented (the "**Consolidated Banking Act**"). The merger took place in Rome with the signing of a deed of merger between the two companies, and became effective from 1 October 2016 (1 January 2016, for accounting purposes).

As a result of the merger, the Issuer became the head group company of the Iccrea banking group (in line with European practices relating to banking groups monitored by the European Central Bank (the "**ECB**")), replacing Iccrea Holding S.p.A., by universal succession, in all its roles including as a member of the UNICO Banking Group.

On 27 April 2018, the Issuer's board of directors resolved to assume the role of group head company (*capogruppo*) of the Iccrea cooperative banking group, and sent to the ECB and the Bank of Italy its request to establish the Group comprising, at such date, 142 BCCs.

The establishment of the Group was authorised by the ECB on 24 July 2018.

On 10 January 2019, a shareholders' meeting of the Issuer approved certain amendments to its by-laws, to bring them in line with the Issuer's new role as head (*capogruppo*) of the Group pursuant to the BCC Reform Law, and to increase the Issuer's share capital by Euro 250 million, from Euro 1.15 billion to Euro 1.4 billion.

On 4 March 2019, the ECB gave its final approval to the establishment of the Group (comprising, at such date, 142 BCCs), which was then formally registered in the Italian register of banking groups (*Albo dei Gruppi Bancari*) by the Bank of Italy.

Since such approval date, there have been several BCC mergers (Banca di Credito Cooperativo di Gradara S.C. with RiminiBanca Credito Cooperativo di Rimini e Valmarecchia S.C. on 31 March 2019, BCC di Serino with BCC di Capaccio Paestum on 31 March 2019, Banca di Formello e Trevignano Romano di Credito Cooperativo with Banca di Credito Cooperativo di Riano on 1 January 2020, Banca di Credito Cooperativo di Valledolmo with Banca di Credito Cooperativo San Giuseppe di Petralia Sottana on 1 January 2020, Banca CRAS Credito Cooperativo Toscano – Siena with Banca di Credito Cooperativo Umbria S.C. on 10 January 2020, Banca di Credito Cooperativo di Monastier e del Sile with Banca di Credito Cooperativo Pordenonese on 22 January 2020, Banca di Credito Cooperativo Don Stella di Resuttano, Banca di Credito Cooperativo San Biagio Platani and Banca di Credito Cooperativo San Giuseppe Mussomeli with Banca di Credito Cooperativo G. Toniolo di San Catando on 1 October 2020, Credito Trevigiano Banca di Credito Cooperativo with Cassa Rurale ed Artigiana di Brendola on 26 October 2020, BCC di Buonabitacolo with Banca del Cilento di Sassano e Vallo di Diano e della Lucania on 11 February 2021) and Banca San Giorgio Quinto Valle Agno Credito Cooperativo with Banca di Verona Credito Cooperativo Cadidavid S.c.p.a., so that, as at the date of this Base Prospectus, the total number of BCCs is 130.

The Cohesion Contract

In January 2019, the Issuer and the BCCs entered into a cohesion contract (the "**Cohesion Contract**") in accordance with the BCC Reform Law.

Pursuant to the Cohesion Contract each BCC accepts that it is subject to the Issuer's management and coordination in accordance with the terms set out therein.

Amongst other things, the Cohesion Contract sets out the Group's corporate governance and administrative rules, so as to allow the Issuer to issue strategic guidelines and ensure that the Group's operational objectives are set and subsequently followed.

More specifically, the Cohesion Contract:

- a) regulates the Issuer's powers of appointment and dismissal of the members of the individual BCC's administrative bodies pursuant to the principle that the shareholders' meetings may approve such matters unless the persons proposed for such offices are deemed by the Issuer to be:
- not adequate with respect to the Group's governance needs or the effectiveness of the management and coordination of the Issuer, or
 - unsuitable with respect to ensuring a sound and prudent management of the individual BCC, having regard to, in particular, already demonstrated skills and results achieved as a company representative.
- In such cases, on the basis of reasonably justified considerations, the Issuer can exercise powers of direct appointment and dismissal; and
- b) describes the Issuer's supervisory functions in respect of the risk appetite framework, individual BCCs' internal controls and outsourcing of the Group functions.

Moreover, to ensure operational continuity of the Group's strategic, managerial and technical-operational oversight and the management equilibrium of individual BCCs, the Cohesion Contract gives the Issuer powers to set (and then monitor) strategies, policies and principles of evaluation and measurement of Group risks.

To this end, the Cohesion Contract envisages that it is the Issuer that sets (at group level) individual BCC's policies relating to its exposure to financial risks (including equity and real estate investment decisions), the granting of credit and the management of conflicts of interest.

Supervisory and intervention activities

As well as regulating the Issuer's general framework of oversight and powers of intervention, the Cohesion Contract defines a whole series of prevention (and where necessary correction) measures. These include, amongst others, the ability to intervene regarding an individual BCC's liquidity and risk profile, its disposal of participatory and real estate investments and distribution of dividends.

Compliance with prudential and reporting requirements

The Cohesion Contract gives the Issuer powers to issue individual BCCs with binding prudential and reporting requirements. It also gives the Issuer sole responsibility for setting regulatory risks measurement methodologies.

Strategic operations

The Cohesion Contract gives the Issuer powers to approve individual BCC's strategically important operations, which could include asset acquisitions and disposals, the opening of new branches (both in Italy and abroad) and the provisions of services at an international level.

Cross Guarantee Scheme

The Cohesion Contract provides, among other things, for a liability-sharing mechanism governed by Italian law which, pursuant to Circular No. 285, has been defined also to meet the requirements for a "*cross guarantee scheme*" as defined under the CRR (the "**Cross Guarantee Scheme**"). In particular:

- a) the Issuer guarantees to the BCCs that it will support the obligations assumed by them. In turn, each BCC cross-guarantees to the Issuer and to the other BCCs that it will support the obligations of the Issuer and all other BCCs;

- b) the existence of the Cross Guarantee Scheme means that the liabilities of the Issuer and the individual BCCs are classified as joint and several liabilities of all BCCs and the Issuer;
- c) in order to implement the liability-sharing mechanism as required by Italian law and the guidelines of the Bank of Italy contained in Circular No. 285, the Issuer and the BCCs have put in place arrangements to ensure the prompt provision of financial means in terms of capital and liquidity if required. In particular, the Issuer and the BCCs have committed funds readily available to them which may be applied by the Issuer in its discretion and as it determines, in order to meet the obligations of the Issuer and the BCCs, thereby providing inter-group financial support; and
- d) the individual BCCs and the Issuer participate with the necessary funds, the amount of which, in the case of the BCCs is represented by a pre-established quota agreed with the Issuer plus a quota that can be called on by the Issuer on demand if needed.

This Cross Guarantee Scheme mechanism is an integral part of any such cohesion contract, so its provision is an unavoidable condition. Prospective Covered Bondholders should be aware, therefore, of the risk that the Cross Guarantee Scheme could place an obligation on the Issuer to commit, if necessary, its own assets to provide the financial support necessary to ensure the performance of the cross-guarantee obligations.

The Cross Guarantee Scheme is structured to create different levels of the Issuer's and BCCs' joint and several liability, whereby the degree of liability and exposure is linked to the capital resource of the Issuer and the individual BCCs (as the case may be). In order to pursue the objectives defined, such scheme is also based on an estimate of the overall guarantee requirements through an analysis of potential vulnerability in adverse conditions, an EBA compliant stress test for each member of the Group.

Within the limits mentioned above, the Cross Guarantee Scheme is an inter-group financial support mechanism within which the participating banks provide each other with financial support to ensure solvency and liquidity (particularly for the purpose of their compliance with prudential requirements and any requirements of the supervisory authority) and to avoid, where necessary, submission to resolution procedures pursuant to Legislative Decree no. 180/2015 or to compulsory administrative liquidation procedures pursuant to art. 80 and following of the Consolidated Banking Act.

Shareholdings in the Issuer

As at the date of this Base Prospectus, shares in the Issuer are held by approximately 208 shareholders. The table below shows the shareholdings in excess of 2 per cent. of the entire share capital.

Shareholders of the Issuer	% of share capital held
BCC DI ROMA	7.546
CREDITO COOPERATIVO CREDITO COOPERATIVO RAVENNATE, FORLIVESE E IMOLESE	3.334
EMIL BANCA	3.274
BCC ALBA, LANGHE, ROERO E DEL CANAVESE	3.213
BANCA DI CREDITO COOPERATIVO DI MILANO	3.186
C.R.A. DI CANTÙ	2.624
BCC DI CARATE BRIANZA	2.376
RIVIERA BANCA	2,069

The shareholders affiliated to the Cassa Centrale Group together hold approximately 6.61% of the Issuer's shares.

The Group's structure



Developments in the Group's network of bank branches

The Iccrea Cooperative Banking Group is the largest Cooperative Banking Group nationwide and Italy's third-largest banking group in terms of number of branches, with 2,529 branches (10.6% of the market share) operated by 130 mutual banks and by Banca Sviluppo, 57% of which are located in the regions of Lombardy, Veneto, Tuscany and Emilia-Romagna. The Group has 22,141 employees and more than 820,000 shareholders. In terms of assets the Group is the fourth-largest banking group of Italy with a total assets of Euro 169.3 billion and an total own funds equal to Euro 11.5 billion. The Group has an extensive retail customer base (comprising families and SMEs). Direct funding from ordinary customers, excluding repos with institutional counterparties and including outstanding debt securities (bonds and certificates of deposit), as at 31 December 2020 are Euro 113,2³ billion while loans to customers at the same date were Euro 87,3 billion net of debt securities. The strong link of the Group with its Italian customer base is the basis of the high component of such direct funding which is largely represented by deposits from customers (especially current accounts and deposits) equal to Euro 98 billion and to a lesser extent by bonds and certificates of deposit equal to Euro 13.7 billion.

The branch network has a market share within Italy of 10.5%, with the highest regional market shares in Marche (15%), followed by Toscana, Friuli Venezia Giulia and Abruzzo (all above 10% of the regional market shares).

In recent years, the mutual banking system has also undergone a process of rationalising the network, which — although manifesting itself to a lesser extent than for Italy's broader banking industry — is to be seen within the context of the affiliated banks' characteristics of having a physical presence close to their communities as being of fundamental importance in their relationships with customers and with the communities themselves.

This trend continued in 2019 with the creation of the new Group and in 2020, a period in which the affiliated banks further rationalized their branch networks by closing branches, some of which were replaced by branches

³ Direct lending is composed as follows: current accounts and demand deposits € 92.3 billion, time deposits € 5.7 billion, securities issued € 13.7 billion, other payables € 1.5 billion.

opened in areas that were not adequately served, thereby resulting in only a slight decline in number of branches (down 22 from December 2019).

In order to ensure a proper balance between physical presence and economic sustainability, following creation of the Group, an initial territory-development plan has been defined, the goals of which include increasing the market share of gross banking operations by repositioning branches in more attractive markets and rationalizing the branch network in order to achieve a greater reduction in branches than in recent years.

Activities under divestiture – E-money business

The Issuer has evaluated the opportunity to set up a new company within the Group in the form of an Electronic Money Institution (*Istituto di Moneta Elettronica*), to transfer and develop e-money business-related activities.

The spin-off of the e-money business - authorised by the Bank of Italy - meets the need to segregate such business, providing a better focus on the sector and facilitating future discussions on potential partnerships.

The choice to set up a focused legal entity for such e-money business aims to achieve: a) an expansion of such market; b) a greater organisational and operational flexibility tailored to the market; c) an improved time-to-market as a result of the convergence and centralisation of all functional and technological components; d) greater consistency in capital absorptions with respect to this particular business. The going concern to be transferred is made up of the assets and liabilities of the Issuer's current e-money business, including any relevant resources, assets and legal relationships.

De-risking and NPE reduction

Within the course of work to create and launch the mutual banking group and within the broader scope of the plan to improve asset quality (which was reported to the ECB when requesting recognition of the Group), extraordinary asset disposals were planned in order to reduce the level of non-performing loan exposures ("NPEs") by a total of approximately Euro 7.3 billion over the 2018-2020 period. This goal of NPE reduction fell within the Group's overall strategy aimed at: (i) improving the NPE ratio by taking advantage of disposal opportunities that would allow for a rapid reduction of the portfolio by prudentially deconsolidating bad debt at both the separate and consolidated levels; (ii) enhancing operational levers in order to optimise the management of NPEs through financial and industrial policies and centralized controls; (iii) enabling the affiliated banks and companies of the direct perimeter active in credit intermediation to focus more on the creation of value, while freeing up resources in order to generate new business.

The program of reducing non-performing loans ("NPLs") reached an initial major milestone in 2018, significantly ahead of schedule, by disposing of a particularly significant amount of NPLs, through carrying out both standalone and multi-originator operations coordinated by the Issuer.

Of particular note among the most significant multi-originator operations coordinated by the Issuer was, first and foremost, the execution, in 2018, of two securitisations of state guarantee backed NPLs, whereby the senior securities subscribed by the seller are now backed by the state.

Both of these transactions resulted in prudential de-recognition in accordance with the IFRSs and with the provisions of the CRR.

In 2018, the Issuer coordinated four other non-recourse assignments of non-performing, unsecured loans issued by a number of Group banks and companies for a total of approximately Euro 94 million.

Together with the transactions executed autonomously by Group companies and the positive performance for the year, compared with the goal for reducing NPLs in 2018 from Euro 17.2 billion to Euro 15.9 billion, the

year-end figure actually reached was Euro 13.1 billion. During the first half of 2019, further standalone assignments contributed to a further reduction in impaired exposures to Euro 12.8 billion as at 30 June 2019.

Continuing with the program of de-risking aimed at significantly reducing the Group's NPL exposure, in the second half of 2019 the Group executed another multi-originator securitisation transaction of multiple portfolios of mortgage-backed or unsecured loans to non-performing borrowers, and a multi-originator securitisation.

With regard to prudential aspects, it should be noted that the significant risk transfer was recognised based on reporting as at 31 December 2019, deconsolidating the securitised portfolio of NPLs for prudential purposes as of that date.

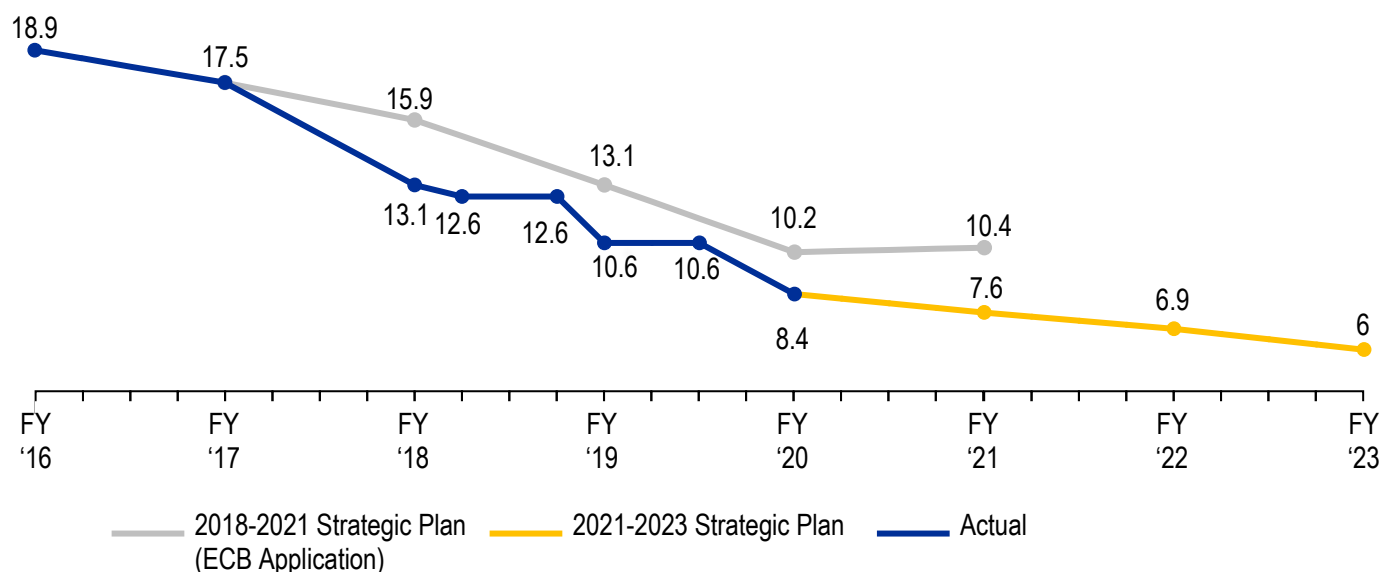
In 2020, in order to continue the de-risking process on the NPLs portfolio, the fourth securitization of non-performing loans backed by the State Guarantee (GACS) was completed. The transaction involved an overall portfolio of non-performing loans consisting of over 17,000 positions referring to approximately 9,600 debtors, originating from 88 banks of the GBCI and 2 banks not belonging to the Group. This portfolio recorded a credit claim exceeding € 2.3 billion, of which € 2 billion originated from the GBCI.

This operation is part of the overall framework of important de-risking actions undertaken in recent years (since before the establishment of the GBCI) which have made it possible to achieve a significant reduction in non-performing exposures. In fact, the gross stock of NPLs in the three-year period fell from € 17.5 billion at the end of 2017 to € 8.4 billion at the end of 2020.

The chart below summarizes the dynamics expressed in the last 5 years by the stock of impaired loans and expected in the three-year period 2021 - 2023 on the basis of the strategies defined, as well as the planning lines submitted to the authority for the period 2018-2021, on the occasion of the application for the establishment of the Iccrea Cooperative Banking Group. At present the Group has achieved, in terms of de-risking, better goals than those proposed to the authority.

Gross NPL stock evolution - €/b

Gross NPL stock evolution - €/b



Regarding the composition of the asset quality of the Group's loans to customers, as at December 2020, the total gross amount of Euro 92.8 billion was made up of: performing loans (Euro 84.34 billion) and non-performing loans (Euro 8.44 billion), including bad loans (Euro 4.05 billion), UTP (Euro 4.13 billion) and past due loans (Euro 0.26 billion).

As at 31 December 2020 the Gross NPL ratio was equal to 9.1% (compared with 11.6% as at 31 December 2019) while the Net NPL ratio was equal to 4.3% (compared with 6.1% as at 31 December 2019). Coverage of NPLs rose to 55.7% at the end of December 2020 (compared with 50.9% as at 31 December 2019) while bad loans reached Euro 4.1 billion (compared with Euro 5.3 billion as at December 2019).

Strategy

The Group's strategic plan

The procedure for the establishment and authorization of the Iccrea Cooperative Banking Group, which began following the 2016 reform of the mutual banking industry, was completed with the registration of the Group by the Bank of Italy in the Register of Banking Groups on 4 March 2019.

Starting from November 2019, also considering the macroeconomic framework before the health emergency that already showed a weak situation at a European level (and in Italy in particular), the Issuer, with the collaboration of the BCCs and other Group companies, started a strategic planning process aimed at strengthening the Group's positioning, maintaining sustainability and attention to the key areas that can make the Group stand out within the national financial system.

The following fundamental drivers for such strategic plan were identified as: ensuring robust capital margins as a way of mitigating risks and funding development; value generation through commercial and cost containment measures; further reduction of the target NPE ratio.

The plan envisaged the Issuer and the BCCs (and the other Group companies) working together with the aim of defining the Group 2020-2023 strategic plan that was approved in early March 2020, when the macroeconomic projections factored into the plan underwent a sudden reversal following the COVID-19 health emergency (the "**COVID-19 Emergency**"). For further information regarding how the Group has responded to the crisis, please see the section below entitled "*Activities in response to the COVID-19 Emergency*".

The COVID-19 Emergency has led to market instability and increased volatility which is greater than that recorded after the financial crisis at 2008 and has prompted the supervisory authorities to intervene with unprecedented speed, both in monetary policy and new prudential measures. Pending macroeconomic analyses and projections factoring the effects of the COVID-19 Emergency, the ECB also decided, amongst other things, to suspend the request for strategic plans and related NPE and funding plans.

In this new context, the Issuer approved the Group's 2020-2023 Strategic Plan only in terms of strategies and long term targets. This decision was deemed to be fundamental to launching the more relevant strategic initiatives contained in the plan, which focus on efficiency in operations, strengthening commercial efforts and credit management. As a whole, these "essential" actions make up the Group's Transformation Plan (the "**Transformation Plan**") which establishes the actions that the Group intends to carry out in the current unstable market. This Transformation Plan includes actions aimed at revising and streamlining the organization of the companies within the direct scope of consolidation with a view of increasing the operating efficiency of the Group and realizing the full potential of the affiliated banks.

In its strategic perspective, the Issuer aspires to become an efficient platform for governance services, shared services and products available to BCCs; hence, the need to face an important challenge of efficiency improvement, which is part of a necessary investment program to complete the Group's operating structure, to

improve the level of service for the BCCs, also reviewing the territorial model and management of the professional resources.

The Transformation Plan approved by the Board of Directors on 30 March 2020 outlines the actions that the Group intends to carry out on in this next phase.

These are:

- a) managing the Group's complex industrial and operational transformation;
- b) correctly prioritising Plan initiatives, by identifying a subset of projects that are deemed to be "strategic";
- c) ensuring the Group's utmost compliance with all Plan milestones;
- d) managing IT capacity and other resources effectively and efficiently;
- e) employing flexibility in adapting planning to the changed scenario and regulatory requirements.

All projects have been structured within a framework that allows the Group to meet any need that might arise within appropriate timeframes and is sufficiently simple and effective for monitoring purposes. Any "essential" initiatives that are to be given top priority have been identified. The structure provides for 7 "vertical" areas of intervention (IT efficiency; digital development of all the definition of features and functions by all BCCs; the definition of features and simplification of the companies within the Group's direct perimeter; operational efficiency, commercial development and credit quality/NPE), and two "transversal" areas represented by "COVID-19" and "Regulatory" initiatives, to oversee areas of cross relevance for the Group.

At the end of 2020, in a more stable health emergency context, a new planning exercise was launched which, starting from the initiatives of the Strategic Plan already defined, led to the updating of the Group's economic and capital projections, defining the 2021-2023 targets. The activities of the Strategic Plan are aimed to expand banking operations (with a 2023 target for net lending of more than €90 billion, up from the current €87.3 billion) and indirect funding (with a 2023 target of over €36 billion), consolidate the capital position (CET1R target for 2023 in line with current IFRS 9 phase-in figure), improve efficiency and profitability indicators (a 2023 target cost/income ratio of 67%) and implement further de-risking actions (with a 2023 gross NPL ratio target and net NPL ratio target of 6.5% and 3.3% respectively).

NPE Strategy

During the year, in order to continue the de-risking process for the NPL portfolio undertaken in the last few years since before the establishment of the ICBG in 2019 – a fourth loan securitization was completed for non-performing loans backed by State guarantees (GACS), involving a portfolio of bad loans of more than €2.3 billion, of which €2 billion originated by the ICBG. With this latter transaction, the gross NPL ratio at the end of 2020 was 9.1% (4.3% net), compared with the 18.9% recorded at the end of 2017 before the start of the de-risking program coordinated by Iccrea Banca.

With regard to the general strategies for reducing non-performing positions, despite the challenging macroeconomic conditions that emerged in the wake of the COVID-19 emergency, the NPE Plan 2021-2023 still seeks to achieve the most challenging targets set by the supervisory authorities over the course of the three-year period, implementing management initiatives whose positive effect will enable the Group to approach a gross NPL ratio of 6.5% (3.3% net), without considering the effects arising from the recently completed comprehensive assessment of the Group, which is now being discussed with the ECB. Specifically, the expected gross NPL ratio in 2023 will be achieved through a gradual but steady decline in total impaired loans, going from the current level of 9.1% at the end of 2020 to 6.5% in 2023. In addition, the process will rebalance

impaired exposures between bad loans and live positions (past due and UTP), with a reduction in the proportion of bad loans in the stock of impaired positions.

Continuing with the implementation of the de-risking program aimed at achieving a significant reduction in the Group's NPEs, in the first half of 2021 the GBCI initiated the structuring of a further multi-originator securitization involving a number of portfolios of receivables in respect of mortgage loans and unsecured loans to debtors classified as bad loans (the GACS V operation), whose senior class is eligible for admission to the GACS state guarantee on the liabilities issued. With regard to the latter aspect, however, note that if the State guarantee scheme is not extended, the transaction will still be carried out with a financial structure suitable for achieving the best outcome in terms of the sale price and deconsolidation.

Activities in response to the COVID-19 Emergency

As mentioned above, given the effects of COVID-19, the Group defined several actions both at Group and affiliated BCCs level to deal with effect of COVID-19 on credit portfolios including: (i) issuing operational circulars; (ii) setting-up a COVID-19 task force; (iii) issuing portfolio segmentation and credit strategic guidelines; (iv) developing more advanced monitoring systems and implementing a special tool to assess the potential reclassification of the loans to UTP; and (v) empowering credit control and approval processes, standards and IT resources.

The Issuer has established a specific internal cross-functional COVID-19 emergency task force with the goal of providing adequate mechanisms of coordination and ensuring harmonization in the interpretation of the various measures, and guidelines, issued by Italian, European and international authorities as well as the measures implemented throughout the Group. Since its establishment, the COVID-19 emergency task force has constantly assessed the evolving circumstances and made the decisions that have been needed over time.

In this context, in the wake of the effects of the health emergency, the Group has paid constant attention to the evolution of the measures adopted by the authorities to, on the one hand, support lending to firms and households, promptly providing for the implementation of tools for the affiliated mutual banks to ensure they can manage operations effectively, and, on the other, protect public health and the interests of consumers, rapidly adapting our organization and processes and involving almost all personnel in flexible working arrangements.

The areas of intervention identified permitted the effective management of the lending process during the most acute phases of the emergency, with very high percentages of acceptance of moratorium and loan applications, while nevertheless closely maintaining the quality of the portfolio, developments in credit positions and the respective risk factors..

Implementation of the Group's commercial and marketing strategies

In 2020, the Group continued its efforts to enhance its banking model in support of local communities (which is typical of the BCCs), while maintaining a keen focus on the needs of the territory and on the satisfaction customers and shareholders. Within this context, the Issuer has, together with its affiliated banks, consolidated the process of evolving and enhancing the current service model and branch network with a view to transitioning towards a model based on high-quality relationships.

To this end, the following primary areas of development have been targeted:

- a) an offer based on high-value advisory services that call for experts with strong relationship skills dedicated to both private and business customers;

- b) a development of the branch model which enhances the automation of transaction services (including advanced ATMs, in-branch self-service kiosks, and "cash-light" branches) and invests in remote-banking technologies;
- c) strategically repositioning the Group as a key partner for SMEs;
- d) enhancing customer service capabilities through advanced customer-insight tools and models;
- e) the launch of a global, digital, multi-channel strategy.

In order to support this evolution, and within the Transformation Plan, the Group has defined and launched the “Full Revenue Potential” programme with the goal of monitoring strategic projects that have a significant impact on the Group’s commercial performance, such as:

- a) reorganization of the bancassurance segment, including the renewal of the partnership with the Cattolica Group until 2022, and a total revision of the model of business management within the Group;
- b) the wealth management project, which seeks to develop advisory models and the role of a dedicated competency centre within the Issuer to ensure quality of the offering and the management of investments, funding, life insurance and other wealth management products. In this respect, a new front-end application available to assist mutual banks in their consulting efforts was gradually released in 2020 and 2021;
- c) the Group's integrated system of customer relationship management (CRM) project, with the goal of ensuring greater efficacy in analysis by making use of a single digital platform available to all BCCs (gradually implemented in mid-2020);
- d) the INTOUR project, which will see the creation of an advanced platform of services for the tourism industry, integrating and innovative offer for financing, payment systems and insurance, and which will make it possible to reduce the industry's dependence on intermediaries. In the first half of 2020, the Issuer acquired a minority interest in H-Benchmark S.r.l. with the goal of acting as an “accelerator” of the Group’s activities in the tourism segment;
- e) the Group's electronic money business reorganisation project, which will see the spinning off of the e-money segment of Iccrea Banca S.p.A. (issuing and acquiring) to BCC PAY S.p.A.. This operation is a preparatory step in developing electronic money issuing and payment services within BCC PAY S.p.A. to support the affiliated banks with a view to improving service levels to them and their customers and to realizing the full commercial potential of this segment;
- f) in the consumer finance segment, and specifically as concerns salary and pension-backed lending and post-employment benefits, a strategic partnership was defined with a leading player in the sector in order to develop this specific business.

Overview of business activities

The Issuer's primary purpose is to support and strengthen the banking businesses of the BCCs through all forms of lending, the delivery of technical and financial assistance in accordance with the procedures set out in the relevant BCC's by-laws and through other initiatives aimed at facilitating the interests of the BCCs and pursuing the interest of the Group.

The BCCs are local and rural banks that provide banking services in a defined and limited geographical area, and mainly to their shareholders.

The corporate purpose of the Issuer also includes the collection of savings, lending in its various forms, purchase of trade receivables and factoring. The Issuer may carry out, subject to and in compliance with applicable banking regulations, financial transactions and services, as well as any transactions which may be instrumental to, or related to, the business of the Group.

The Issuer may, subject to and in accordance with existing laws and regulations, issue bonds, hold equity interests in other companies (including majority interest holdings in companies which carry out business activities) provided that these contribute towards the fulfilment of the Issuer's corporate purpose.

The Issuer prepares a regular management report, in accordance with a specific "data model", reporting on the results obtained by the individual business areas into which the Issuer's activities are subdivided.

On 15 December 2020, the Issuer's Board of Directors resolved to centralize in the Issuer the "corporate segment" of its subsidiary Iccrea BancaImpresa S.p.A. by separating the leasing business unit from financing activities such as ordinary credit, special credit, foreign credit, extraordinary finance and related guarantees, with consequent transfer of the financing business unit to the Issuer. Such operational and corporate reorganisation is effective as of 1 January 2021.

Business Areas

The individual business areas of the Issuer are the following:

1. Finance and Lending;
2. Payment Systems; and
3. Corporate Centre.

These business areas are made up of an aggregation of units and business lines which have similar characteristics with regard to the type of products and services provided and regulatory requirements with which the Issuer needs to comply in conducting its business.

The Finance and Lending area includes the Capital Market, Treasury, Structured Finance and Institutional Lending units, the Payment System segment comprises the Collections and Payments units and the institutional services and ICT functions are grouped under the Corporate Centre.

Business Units

The Issuer carries out certain activities on its own account and, at the same time, provides services to the BCCs in accordance with its corporate purpose.

The Issuer's individual business units can be summarised as follows:

1. Chief Financial Officer Area ("**CFO Area**" or "**Finance Area**"). This comprises Group Finance (*Finanza di Gruppo*), which is in turn divided into the following organisational units:
 - a) Capital Markets Organisational Unit;
 - b) Treasury Organisational Unit;
 - c) Legal Finance & Advisory Organisational Unit;
 - d) Financial Analyses and Solutions Organisational Unit;
 - e) Financial Governance Organisational Unit.
2. Credit and Subsidiaries Area, which comprises the Chief Lending Officer Area ("**CLO Area**")

3. Chief Operating Officer Area (“**COO Area**”). This comprises the Back Office, which in turn is divided into the following organisational units:
 - a) Collection and Payments Organisational Unit; and
 - b) Institutional Services Organisational Unit.
4. Chief Business Officer Area (“**CBO Area**”).

Descriptions of Business Units and Organisational Units

The following is a description of each business unit, summarising the scope of its activities together with, each organisational unit within such business unit.

1. Chief Financial Officer ("CFO") Area and Group Finance

The CFO Area ensures the proper management of the Group’s financial assets, recommending investment strategies and ensuring financial stability, managing its liquidity, funding, and related risks. The CFO ensures the implementation of such strategies, the proper, timely execution of separate and consolidated financial reporting, and the fulfillment of all accounting, tax and regulatory obligations.

Group Finance works under the header of the CFO Area and is responsible for the management of the financial business of the Group, proposing investment strategies and guaranteeing the Group’s financial stability through liquidity/funding management and risk control.

This unit is subdivided as follows:

Capital Markets

The Capital Markets Organisational Unit operates on the financial markets and guarantees access to markets. Within this context, it performs certain functions, including the following:

- a) manages the securities, trading and banking book portfolios of the Issuer and members of the Group that entrust the Issuer with the management of their securities portfolios;
- b) operates as market maker for the main transactions subject to negotiation, and is responsible for the bidding processes for government and corporate securities;
- c) manages the interest rate risk of the Issuer and the Group, as well as the market and financial risks to which the various portfolios are subject to;
- d) coordinates the provision of investment services to the clientele (negotiations on the Issuer's own account, execution of orders on behalf of customers, and the placement, receipt and transmission of orders);
- e) structures financial products in accordance with the requirements of the Group and BCC clientele in line with the instructions received from the Treasury Organisational Unit (“**Treasury**”);
- f) provides support to Treasury, and supervises the medium to long term liability structuring operations for the Issuer on the debt capital markets;
- g) draws up reports and analyses of financial information on market trends and forecasts of the main macroeconomic aggregates; and
- h) defines the policies and operating guidelines on market, financial and interest rate risks on behalf of the Issuer and the Group.

Treasury

The Treasury operates within the monetary, foreign exchange and precious metals markets to ensure the efficient implementation of the instructions received from the Group companies, the BCCs and other customers, monitors the short and medium to long term funding requirements and related risks (interest and exchange rates and liquidity) on behalf of the Issuer and the Group and ensures an optimum level of structural liquidity in normal business conditions and in stress and crisis situations.

Within that context, it carries out certain activities including the following:

- a) the correct implementation and running of the monetary policy with the ECB, and the operations on the monetary and collateralised markets and short-term interest rate derivatives markets, with the management of the positions within the operating limits assigned;
- b) the management of the liquidity positions, with support for the units responsible for the origination of structured finance instruments (securitisation and covered bonds);
- c) the management of the interest rate risk to which the Issuer and the Group are subject, by means of market transactions and through modifications to the payable and receivable interest rate structures for the portfolios for which it is responsible;
- d) the management of the liquidity risk on behalf of the Issuer and the Group;
- e) the coordination of negotiating services on its own account of interest-rate derivatives in foreign currency and foreign exchange derivatives;
- f) the management and development of the treasury processes linked to settlement systems (Target 2 and ancillary systems, T2S, CLS, BICOMP, EBA etc.), collateral and corresponding accounts, in order to guarantee and optimise the availability of cash and collateral at Issuer and group level;
- g) the definition of policies and operating guidelines on market, financial and interest rate risks on behalf of the Issuer and the Group; and
- h) the implementation of strategies for optimising the consolidated risk profile together with the Balance Sheet Management Organisational Unit belonging to the Financial Governance Organisational Unit.

Legal Finance & Advisory

The Legal Finance & Advisory Organisational Unit operates with the support of other relevant organisational units to carry out the activities necessary for the achievement of business objectives, such as:

- a) negotiating agreements, drafting offer documents, feasibility studies and legal opinions;
- b) dealing with preliminary procedures involving Italian and international supervisory bodies;
- c) advising the Issuer in structured finance transactions (securitisation of performing and non-performing loans and covered bond programmes);
- d) acting as arranger or co-arranger in new and ongoing activities (including being responsible for the operations relating to the assignment of non-performing loan portfolios);
- e) monitoring the regulations applicable to the operations of the Finance Area, in relation to which it recommends upgrading actions on the basis of its analysis of the impact of Italian and international regulations, acting in coordination with the compliance team;
- f) coordinating the drafting of legal, tax and accounting opinions on finance transactions, as and when these are required;

- g) supporting other Organisational Units in their interactions with official bodies, authorities, agencies and associations;
- h) enabling Organisational Units within the Finance Area to take part in the working parties set up by trade associations, acting in coordination with the Chief Compliance Officer Area;
- i) providing the Chief Compliance Officer Area with support for the presentation of amendments and/or additions to regulations subject to consultations or those that are in the process of implementation to the relevant authorities, either directly or through the trade associations; and
- j) supporting the Organisational Units within the Finance Area with those regulatory formalities concerning investment services (such as the drafting of and annual checks on execution policies, and the drafting of reports).

Financial Analyses and Solutions

The Financial Analyses and Solutions Organisational Unit operates as a skills centre for the Issuer and the Group in relation to the design, development and maintenance of the mathematical and financial models used for fair value (mark to model) calculations, for both management and accounting purposes, for all the financial instruments (securities and derivatives) and receivables (subject to approval by credit risk management).

The modelling and quantitative analysis operations carried out extend to the design and development of quantitative aspects linked to the issue of retail products and checks on the evidence produced by outside supplier calculation engines on IFRS 9– Financial Instruments related matters (SPPI and benchmark tests).

This unit also provides the necessary functional support by participating in the development of projects and new initiatives of an applicational nature in respect of evolution-based activities carried out by the Organisational Units of the Finance Area, for which it defines the specifications, carries out the related analyses along with the relevant Organisational Units and ensures the planning and ongoing coordination of the operations between the Finance Area and ICT.

It also sets up the front-office and position keeping systems (static and market data) and updates them on the basis of specific user requests in accordance with company policies (with particular reference to regulatory requirements and/or new regulations), carries out functional and patch testing and application upgrades (with the involvement of outside parties, where applicable), and provides support for the implementation of prototypes of the planned pricing models.

Financial Governance

The Financial Governance Organisational Unit carries out crosswise tasks with respect to the Group Finance Organisational Unit's operations and supports its manager in coordinating the activities performed by the operational units.

Such unit provides a dynamic and integrated internal service relating to interest rates, liquidity, exchange rates, market and counterparty risks on a consolidated level, the overseeing of the correct functioning of the "internal liquidity market", and the monitoring and channelling of intra-group liquidity flows.

The unit also:

- a) contributes, to the extent of its remit, to the defining and the updating of certain regulatory processes, including ICAAP, ILAAP, ECB/EBA supervisory stress test, Risk Appetite Framework (RAF) and the Recovery Plan;

- b) contributes to the definition of strategic-operational proposals for the Group's compliance of any risk/return objectives and, on an individual level, for the Issuer and for the companies of the Group's direct perimeter;
- c) supports the Head of the Group Finance Organisational Unit in the governance activities and is responsible for those relating to first level control of operations, effectively monitoring their "management Profit&Loss" and carrying out other support activities (policies, budgets and projects); and
- d) performs tasks relating to the activities of "*Project Coordination and Support*", the Group Finance Organisational Unit's budget and coordination of projects.

With reference to the "*Balance Sheet Management*" activities:

- a) it supports the Head of the Group Finance Organisational Unit in managing the Group's financial activities with a consolidated view, contributing to outlining investment strategies, liquidity and funding management and to controlling related risks, and providing, together with the department's operating structures, for the definition of balance sheet optimisation strategies;
- b) it oversees and channels the initiatives to be implemented as a result of the monitoring of the exposure to financial risks on a consolidated and individual level and monitors their implementation;
- c) together with the other operating structures, it defines collateral optimisation strategies on a consolidated and individual level (for the Issuer and the companies of the direct perimeter), with a view to both the short and medium-long terms;
- d) it ensures the preparation of the Group Funding Plan (together with the Planning Department, the Finance operating structures and the other competent structures of the Issuer) to be submitted to the Finance Committee, and monitors implementation;
- e) it coordinates the definition, structuring and implementation of the Group's Liquidity Transfer Pricing framework; and
- f) it is responsible for defining and updating the "management policies" in line with internal and external legal requirements, ensuring that other Group Finance (*Finanza di Gruppo*) departments are involved.

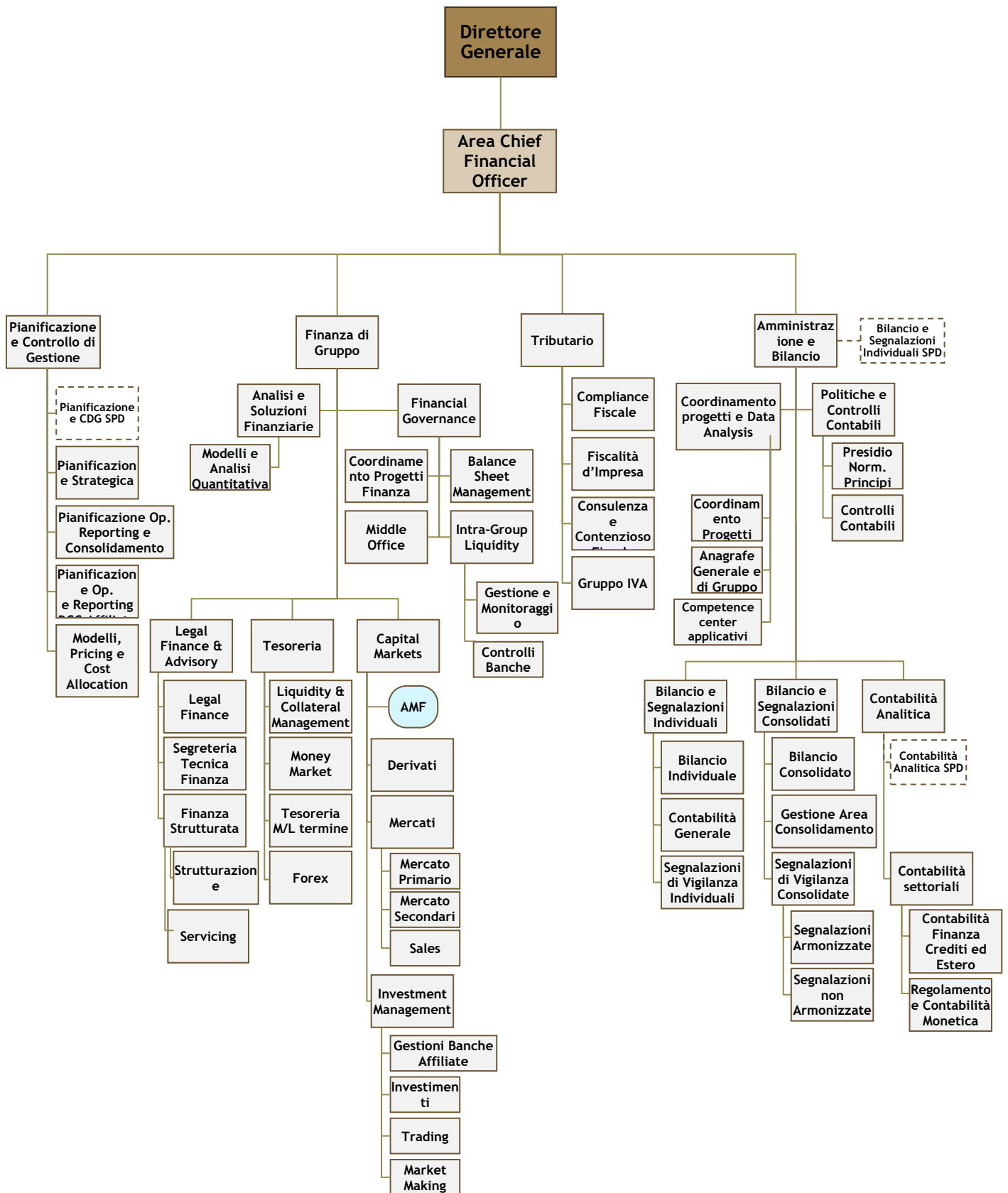
With reference to the "*Middle Office*" activities:

- a) it ensures first-level second-instance controls of the operations carried out by the business units and verifies that they comply with the operating limits they have been assigned;
- b) it manages the pre-settlement validation processes (deal processing, interface with back-office and accounting, contacts with market counterparties, etc.);
- c) it ensures maintenance of the Group position keeping;
- d) it prepares the "Daily P&L".

With reference to the "*Internal liquidity market*":

- a) it defines, and ensures the monitoring of, strategies for optimising the intra-group liquidity position, both from a current and a prospective point of view together with the Treasury;
- b) it works with the competent departments in defining the intra-group financial exposure limits.

Overview



2. Chief Lending Officer Area (the "CLO Area")

The CLO Area, which is part of the Credit and Subsidiaries Area, is responsible for monitoring all aspects of loans on behalf of the Issuer and the Group, from the granting stage to the management of non-performing loans. It also:

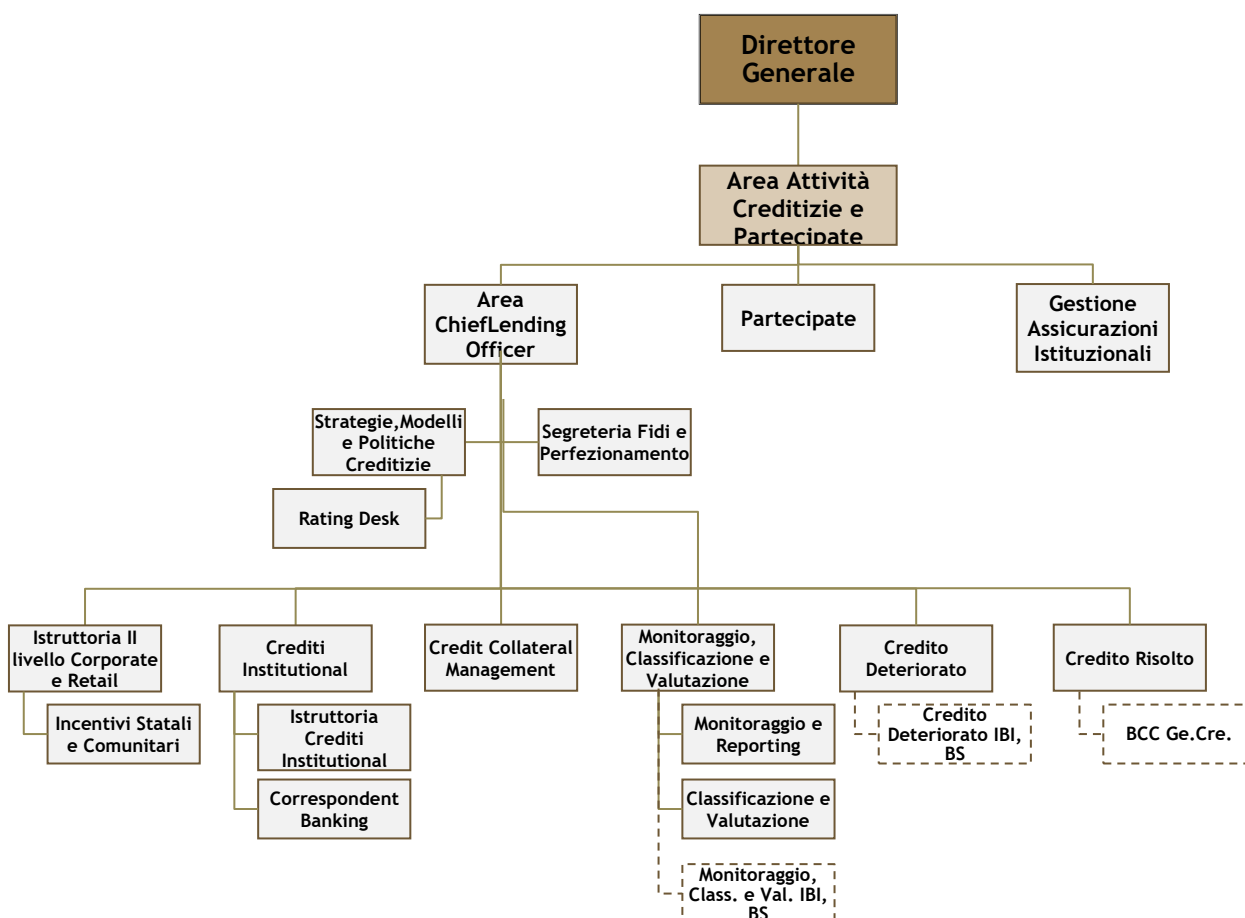
- a) carries out the direction and coordinating activities with the BCCs;
- b) monitors credit quality, defines the loan policies and ensures their correct implementation;
- c) issues guidelines on the taking on and management of credit risks in line with the strategies and objectives defined (it also monitors the completion of credit and administrative formalities on non-performing portfolios);
- d) as a member of the Issuer's credit committee, provides assistance in drawing up credit opinions for the other members of the Group for transactions subject to high levels of risk;
- e) (acting through its organisational structures) validates the proposals for the conferral of and changes to the delegations of powers on loan-related matters in respect of the Issuer and the Group;
- f) (acting in cooperation with Human Resources in relation to the overall coordination and running of the Group training system) plans and carries out the training operations for its own area of specialisation and responsibility.

It is also responsible for the coordination of IBI's Leasing Loans Unit (*Crediti Leasing IBI*) and, in this context:

- a) supervises and coordinates all stages in the loan process on behalf of the Group (granting, management, guarantee control, monitoring, classification, valuation and debt collection);
- b) ensures that the guidelines and instructions on loan-related matters are kept updated at all times, on behalf of the members of the Group;
- c) monitors and guides the planning processes for innovations or upgrades to the existing loan granting procedures;
- d) (acting in cooperation with the relevant CFO Area structures) coordinates the corrective actions required by the supervisory authorities, senior management bodies and company control functions on loan-related matters;
- e) provides support for the relevant CBO Area structures in the definition and development of loan products;
- f) contributes to the definition of the strategic plans on loan-related matters, including NPE;
- g) ensures the definition of the NPE Operational Plan, in line with the Group's strategic guidelines on the subject, with the support of the competent Parent Company functions for this activity, ensuring support to the Companies of the Direct Perimeter and Affiliated Banks (where necessary) in the operational implementation at individual level;
- h) draws up and submits credit opinions on loan transactions in respect of the performing and non-performing portfolios on behalf of the members of the Group, or presents these to the Issuer's credit committee in accordance with the provisions and limits laid down in the relevant credit policies;
- i) resolves on loan transactions in line with the powers delegated to and conferred upon it; and
- j) ensures, in agreement with the head of the Unit Business Division (UO Divisione Impresa) the:
 - sharing of the periodic planning of preliminary activities;

- periodic interaction on activities relating to the assessment of creditworthiness carried out by the instructors;
- definition of the objectives and performance of the instructors (in the context of human resource management policies);
- identification and selection, qualification and training/updating of instructors according to technical/professional profiles.

Overview



3. Chief Operating Officer Area ("COO Area")

The COO Area comprises the Back Office, within which the Collection and Payments Organisational Unit and the Institutional Services Organisational Unit operate. These units are responsible for defining the strategies and the overall operating model of the Group's operations, ensuring that they are managed efficiently by the other companies in the management and coordination perimeter.

The Back Office Organisational Unit is responsible for ensuring the centralised governance of the Group back office activities, relating to collections and payments, post-trading of securities, the tax obligations related to the management of financial instruments and personnel administrative services and supervising the activities carried out by the subordinate Organisational Units. The unit is divided into:

- the Collection and Payments Organisational Unit; and
- the Institutional Services Organisational Unit.

Collection and Payments Organisational Unit

This unit is responsible for coordinating the supply of collection and payment services on the domestic and international circuits (including the clearing of cheques and drafts, electronic collection, SEPA credit transfers, and SEPA direct debits) on behalf of intermediate banks and branches, and for guaranteeing the correct completion of the formalities on regulatory custody and electronic billing, cash custody and management, cash

and securities held directly or in administration, and bankers' drafts (reimbursement, issue, liquidation and related administrative formalities).

It coordinates the analysis, evolution and planning of collection and payment services in accordance with the applicable regulation and in line with developments in European and international payment systems. For that purpose, it handles relations with ABI, the Bank of Italy, CBI, AgID, the European Payments Council, INPS and all the other interbank assemblies in which it is obliged to take part from time to time and manages payment system governance processes.

In that context, it acts as an intermediary between the system adopted by the banks on whose behalf it acts and the bodies listed above, with a view to orienting the decisions taken on positions relating to company and group interests, and presents its positions during public consultation initiatives on the part of the Italian authorities and Club EUROPA (the European Banking Authority, European Commission, ECB, BIS, etc).

It contributes to the analysis and drafting of reports on cost and revenue aggregates (drafting of budgets and final statements and segment trend studies), control operations (accounting checks on fees linked to the intermediary service, procedural testing), and support for cooperative banks, customers and other organisational units (including opinions, drafting of circulars and news releases, relations with other group structures on commercial, applications and contractual aspects, taking part in training events on matters of interest to the cooperative banks).

Acting in agreement with the relevant organisational units of the Issuer, it supervises the subordinate units, with particular reference to:

- the management of outsourcing agreements on the services for which it is responsible;
- the company regulations on money laundering and the financing of terrorism; and
- the coordination of the regulatory custody service, electronic billing and the administrative management of remote signatures.

It carries out the payment management activities for the defined and approved projects falling within its area of responsibility, with a view to ensuring the successful outcome of the initiatives relating to its own business. For that purpose, it confers mandates upon its own personnel and those of the subordinate units to enable them to carry out the necessary formalities as laid down in the specific regulations.

Institutional Services Organisational Unit

The Institutional Services Organisational Unit manages the introduction of innovative techniques within group operations and is responsible for the coordination and development of the post-trading activities linked to the Finance Area, with particular reference to internal portfolio management, investment services and related activities supplied to customers under the terms of the Legislative Decree no. 58 of 24 February 1998 (the "TUF").

It is responsible for the tax formalities linked to the management of financial instruments, including those falling within the area of responsibility of the *QI Responsible Officer*, in relation to which it performs certain functions including the following:

- a) coordination of the activities linked to the ancillary custody and administration of financial instruments' service under the terms of the TUF, as well as additional offsetting and settlement activities both internally and for the customers of the Bank (settlement agent services);

- b) internal and outside customer service activities, mainly relating to regulatory analyses and reporting on transactions in financial instruments and payment agent activities;
- c) coordination of the Finance Area ID records management (securities, issues, counterparties, customers, etc); and
- d) handling of the reference information and documentation on the former custodian bank activities, including the filing of such materials and storage for purposes of consultation and checking at the request of outside parties.

Institutional Services consists of the three functions described below.

Clearing and Settlement Services

Clearing and Settlement Services is responsible for the post-trading activities on securities, derivatives and treasury linked to the front office operations of the Finance Area (in respect of proprietary requirements and investment services or activities offered to customers). It carries out activities related to the financial instrument custody service and additional back office activities on behalf of bank customers for transactions carried out with outside counterparties (such as settlement agent activities).

It is also responsible for setting up and/or reviewing guarantees with the Bank of Italy or the clearing systems with which the Issuer operates, in relation to the activities falling within its area of responsibility and in agreement with the relevant structures of the Issuer, maintaining administrative relations with the outside companies supplying clearing, custody and settlement services for financial instruments, and taking part in the Group's working groups and in those of trade associations for its areas of expertise.

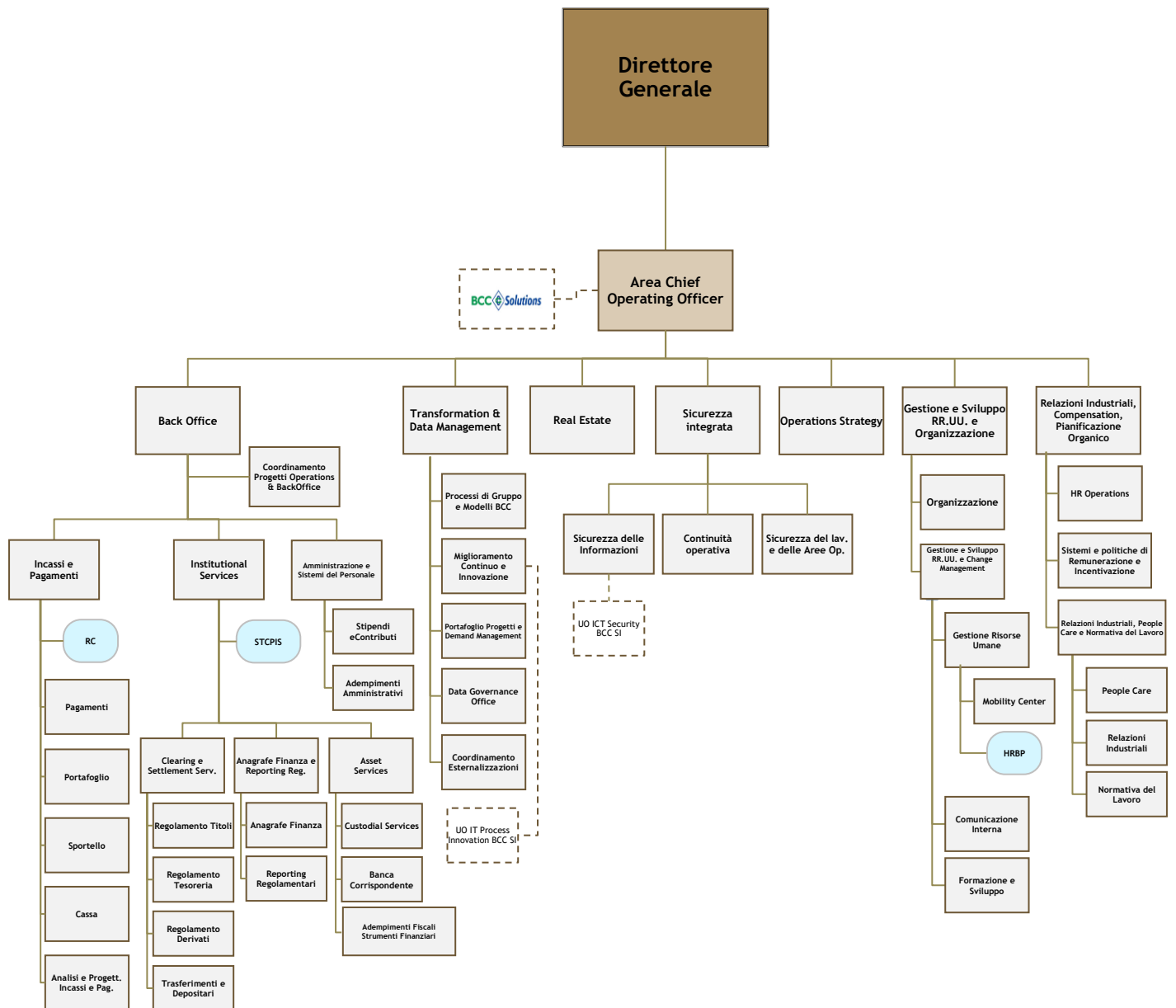
Finance Records and Regulatory Reporting

The Finance Records and Regulatory Reporting team monitors, coordinates and supervises its reference Organisational Units and is responsible for the correct execution of internal and outside customer services relating to the regulatory analysis and reporting of transactions carried out on financial instruments, the pricing activities of BCC bond loans, the administrative formalities linked to the HiMTF listing of bond loans of the issuing bank, as well as the management of the Finance Area ID record files.

Asset Services

The Asset Services team monitors, coordinates and supervises its reference Organisational Units and is responsible for the management and administration of financial instruments on behalf of the Group and its customers and the related Italian and foreign tax aspects, including payments of Italian tax deductions on the management of securities deposits, those relating to the US tax system included, and the related support activities under the responsibility of the *QI Responsible Officer*. It performs the roles referred to in the "Collective Asset Management Regulations", as defined in specific agreements with foreign Collective Investment Undertakings, in respect of the Italian offer for parts of such undertakings (the Payment Agent, for example). It also acts as an intermediary for fund orders and the related accounting entries (so-called Agent Bank service) and takes part in the Group's working groups and in those of the trade associations for its areas of expertise.

Overview



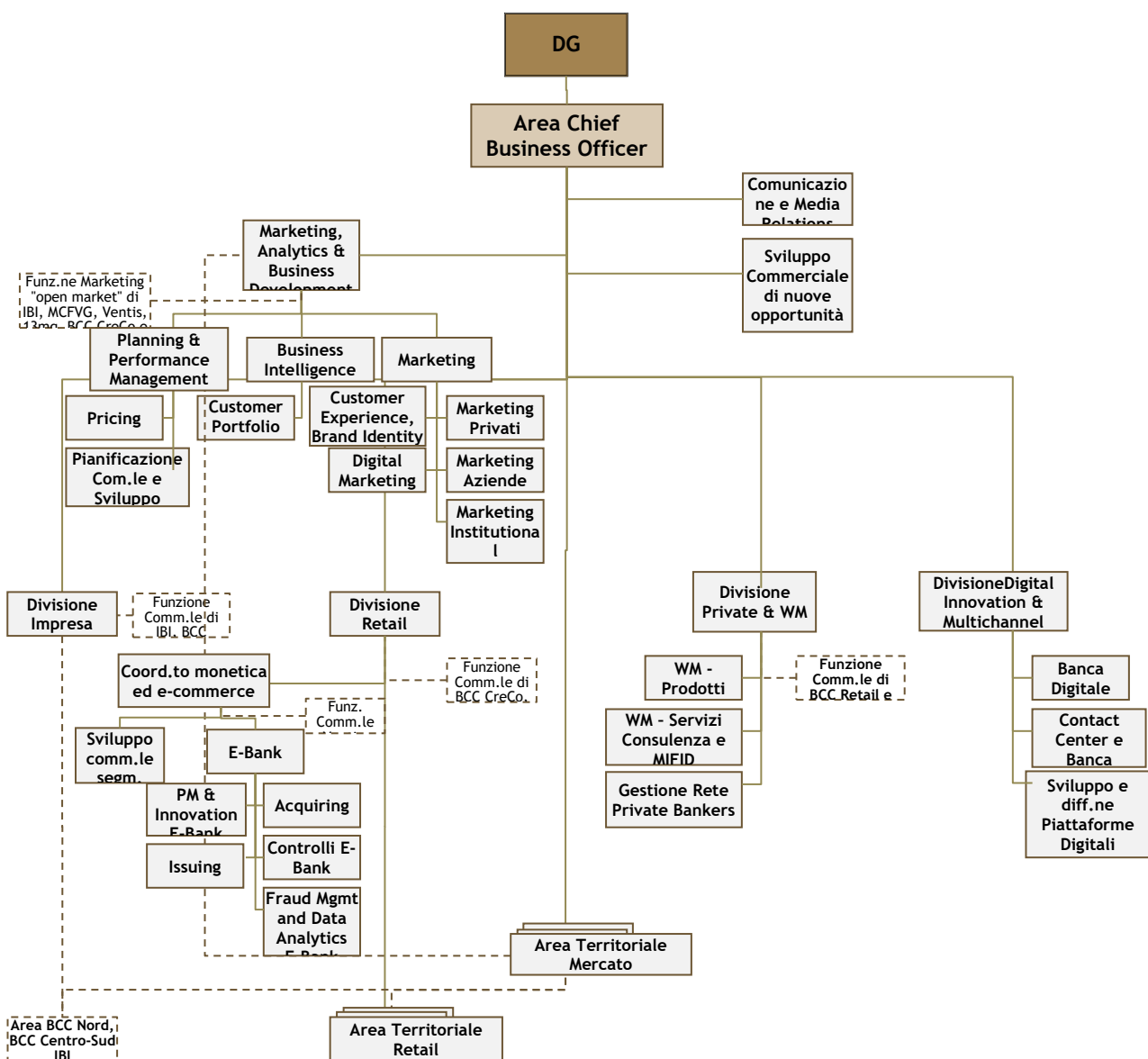
4. Chief Business Officer Area ("CBO Area")

The Chief Business Officer (CBO) Area is responsible for defining and implementing the Group's business strategy with the goal of supporting profitability, ensuring the ongoing development of the approach to the market, developing market positioning, and ensuring the strategic and operational support of the mutual banks.

This area also oversees the various business divisions (*i.e.* Retail, Corporate, Private Banking & Wealth Management), which are responsible for defining and implementing the Group's commercial policies, and the regional market areas, which are responsible for supporting local operations of the business divisions in line with the general strategies of the area and of the Group.

The area includes marketing and commercial planning divisions, as well as divisions dedicated to the ongoing process of innovation and digital transformation.

Overview



Financial Information

Deposits

The Issuer's deposits primarily consist of interbank deposits. As at 31 December 2020, interbank deposits amounted to Euro 33,890 million with an increase of 17 per cent. as at 30 June 2020 (an increase of Euro 4,934 million); within the inter-bank deposits of this aggregate, cooperative banks and rural banks deposits increased by 23 per cent. (from Euro 11,255 million as at 30 June 2020 to Euro 13,854 million as at 31 December 2020) while other banks increased by 13 per cent. (from Euro 17,701 million as at 30 June 2020 to Euro 20,036 million as at 31 December 2020).

At December 2020, funding from ordinary customers decreased of 44% (Euro 9,632 million compared to Euro 17,315 million as at 30 June 2020).

The following tables show the aggregate and breakdown of amounts due to banks as at 31 December 2020 and 30 June 2020:

DUE TO BANKS	As at 31 December 2020	As at 30 June 2020	Change	Change
	<i>Thousands of Euro</i>		%	
Cooperative banks and rural banks	13,853,920	11,254,979	2,598,941	23%
Other Credit institution	20,035,935	17,700,561	2,335,374	13%
TOTAL	33,889,855	28,955,540	4,934,315	17%

BREAKDOWN OF AMOUNTS DUE TO BANKS	As at 31 December 2020	As at 30 June 2020	Change	Change
	<i>Thousands of Euro</i>		%	
Due to central banks	18,885,985	16,476,627	2,409,358	15%
Current accounts and demand deposits	3,297,431	2,878,622	418,809	15%
Fixed-term deposits	10,951,417	8,903,705	2,047,712	23%
Loans	751,396	693,303	58,093	8%
Other payables	3,626	3,283	343	10%
Total amounts due to banks	33,889,855	28,955,540	4,934,315	17%

The following table shows the breakdown of amounts due to customers as at 31 December 2020 and 30 June 2020:

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS	As at 31 December 2020	As at 30 June 2020	Change	Change
	<i>Thousands of Euro</i>		<i>%</i>	
Current Accounts and demand deposits	886,361	830,529	55,832	7 %
Fixed-term deposits	55,012	55,012	-	-
Loans	8,212,042	15,927,492	(7,715,450)	(48 %)
Leasing liabilities	3,227	3,028	199	7 %
Other payables	475,306	499,116	(23,810)	(5%)
Total amounts due to customers	9,631,949	17,315,177	(7,683,228)	(44%)

Lending activities

The Issuer's lending activity is primarily with banks (demonstrated by the fact that as at 31 December 2020, the aggregate of loans to banks was Euro 33,193 million, whereas, as at such date, the aggregate of loans to customers was Euro 14,292 million). Within the aggregate of amounts due from banks (Euro 34,140 million as at 30 June 2020), those due from cooperative banks and rural banks decreased by 3 per cent. (from Euro 21,426 million as at 30 June 2020 to Euro 20,825 million as at 31 December 2020) while the receivables from other credit institutions decreased by 3 per cent. (from Euro 12,714 million as at 30 June 2020 to Euro 12,368 million as at 31 December 2020).

The following table shows the aggregate and breakdown of amounts due from banks as at 31 December 2020 and 30 June 2020:

DUE FROM BANKS	As at 31 December 2020	As at 30 June 2020	Change	Change
	<i>Thousands of Euro</i>		<i>%</i>	
BCCs	20,824,539	21,425,737	(601,198)	3 %
Other credit institutions	12,368,235	12,714,390	(346,155)	3 %
Total	33,192,774	34,140,127	(947,353)	(3%)

The following table shows the breakdown of amounts due from banks as at 31 December 2020 and 30 June 2020:

BREAKDOWN OF AMOUNTS DUE FROM BANKS	As at 31 December 2020	As at 30 June 2020	Change	Change
	<i>Thousands of Euro</i>		<i>%</i>	

Due from Central Banks:		4,632,595		
- Obligatory Reserve	3,858,522		(774,073)	(17%)
Due from Banks	29,334,252	29,507,532	(173,280)	(1%)
Current accounts and demand deposits	630,870	568,695	62,175	11 %
- Time deposits	357,917	96,698	261,219	270%
- Other	27,908,401	25,217,409	2,690,992	10 %
- Debt securities	437,065	3,624,730	(3,187,665)	(88 %)
Total Due from Banks	33,192,774	34,140,127	(947,353)	(3 %)

The following table shows the breakdown of loans to customers as at 31 December 2020 and 30 June 2020:

BREAKDOWN OF LOANS TO CUSTOMERS	As at 31 December 2020	As at 30 June 2020	Change	Change
	<i>Thousands of Euro</i>		<i>%</i>	
Current accounts	276,755	70,227	206,528	294%
Medium/long-term loans	59,566	64,715	(5,149)	(8%)
Repurchase agreements	1,772,307	3,236,369	(1,464,062)	(45 %)
Other transactions	2,386,774	2,733,965	(347,191)	(13 %)
Debt securities	9,791,187	9,074,918	716,269	(8 %)
Impaired assets	5,696	68,235	(62,539)	(92 %)
Total loans to customers	14,292,285	15,248,428	(956,143)	(6 %)

Risks and related hedging policies

The Issuer places particular emphasis on its risk protection and control systems. It aims to meet the highest standard of governance in performing its risk and control management functions and to apply well-established risk management practices. Risk management means striving to ensure that the Issuer uses its risk capacity in the most efficient way in relation to the achievement of a stable and sustainable generation of value, protecting financial solidity and allowing for adequate management of portfolios of assets and liabilities.

In accordance with its role of group head company (*capogruppo*) of the Iccrea Cooperative Banking Group and focusing on its lending activity, the Issuer is specialised in:

- a) supporting the BCCs in the agricultural sector;
- b) developing relations with companies, within the BCCs areas, which have a strong international approach;
- c) being the main key centre for subsidised loans for the BCCs;

- d) funding the needs of the BCCs by, for example, granting overdrafts, ceilings and maximum operational limits;
- e) developing, with the cooperative community, loans pooled with the BCCs to the members of the *Confcooperative* organisation (the Confederation of Italian Cooperatives); and
- f) the expansion of business activity with large corporate entities, consistent with the development of relations between these companies, the BCCs and the payment and electronic money services offered by the Issuer.

Credit Risk Management

Monitoring

In order to maintain the quality of its loan portfolio, the Issuer has a policy of careful evaluation of creditworthiness and the constant monitoring of its loan positions.

Lending risk

A centralised department establishes the procedures for evaluating the types of risks arising from each loan granted by the Issuer. The department also monitors the overall risk, verifies capital adequacy and evaluates the performance of lending activities in terms of risk/return. In addition, the process of debt recovery is supervised centrally and the debt recovery activities of the Issuer are coordinated.

Bad Debts

In accordance with the Bank of Italy's system of classification, the Issuer divides its loans into separate categories including, amongst others, (i) "substandard loans" for borrowers which are experiencing financial or economic difficulties that are likely to be temporary ("*inadempienze probabili*") and (ii) "bad loans" for borrowers against whom insolvency or similar proceedings have been instituted ("*sofferenze*").

The Issuer's loan portfolio is monitored on regular basis to review the prospects of recovery and estimated losses and the Issuer makes specific provisions tied to the expected loss on each non-performing loan, problem loan or, if deemed necessary, on certain performing loans.

As at 31 December 2020, the amount of net bad loans was Euro 4,496 thousand decreasing from Euro 67,215 thousand as at 30 June 2020.

The following table sets out the breakdown of the Issuer's bad loans (*sofferenze*) as at 31 December 2020 and 30 June 2020:

BAD LOANS	As at 31 December 2020	As at 30 June 2020
	<i>Thousands of Euro</i>	
Gross bad loans	28,561	134,090
Adjustments	24,066	66,875
Net bad loans	4,496	67,215

The following table sets out the breakdown of the Issuer's substandard loans (*deteriorate diverse da sofferenze*) as at 31 December 2020 and 30 June 2020:

SUBSTANDARD LOANS	As at 31 December 2020	As at 30 June 2020
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	<i>Thousands of Euro</i>	
Gross substandard loans	1,580	1,591
Adjustments	378	571
Net substandard loans	1,201	1,021

As at 31 December 2020, net substandard loans amounted to Euro 1,201 thousand and the sum of net bad loans plus net substandard loans amounted to Euro 5,697 thousand.

Funding

The total amount of funds borrowed by the Issuer as at 31 December 2020 was Euro 4,186,006 which represented a decrease of Euro 67,161 compared to Euro 4,253,167 as at 30 June 2020.

Capital Ratios

The Issuer (as head group company of the Iccrea Cooperative Banking Group) is required to meet, for 2020, the following capital ratios at consolidated level: (i) Total SREP Capital Requirement of 10.5% (including a minimum total capital requirement maintained on an ongoing basis, of 8%); (ii) an additional Pillar 2 own-funds requirement (to be held in the form of CET 1 capital on an ongoing basis) of 2.5%; (iii) a total capital requirement (including a capital conservation buffer of 2.5%) of 13%, while no specific requirements are imposed on the individual level.

The Issuer's capital ratios as at 31 December 2020 and 30 June 2020, which are set out in the table below, exceeded the minimum levels prescribed by the European Central Bank.

CAPITAL RATIOS	As at 31 December 2020	As at 30 June 2020
	<i>Thousands of Euro</i>	
Tier I Capital	1,636,704	1,694,827
Tier II Capital	400,000	416,000
Elements to be deducted	-	(85,454)
Total Capital	2,022,084	2,025,373
Credit Risk	290,040	321,968
Total risk exposure amount for credit valuation adjustment	13,863	11,912
Market Risk	21,052	20,257
Operation Risk	52,494	47,818
Total requirements	377,449	403,835
Risk weighted assets	4,718,114	5,024,439
Tier I Ratio	34,69%	32,19%
Total Capital Ratio	42,86%	40,31%

Consolidated Balance Sheet and Income Statement

The following tables contain respectively:

- a) Audited consolidated financial information as at 31 December 2020 related to the Iccrea Cooperative Banking Group;
- b) Consolidated financial information as at 30 June 2020 related to the Iccrea Cooperative Banking Group;
- c) Audited consolidated financial information as at 31 December 2019 related to the Iccrea Cooperative Banking Group;
- d) Consolidated financial information as at 30 June 2019 related to the Iccrea Cooperative Banking Group).

Balance Sheet

ASSETS	TOTAL as at 31 December 2020 for the Group (EURO)	TOTAL as at 30 June 2020 for the Group (EURO)	TOTAL as at 31 December 2019 for the Group (EURO)	TOTAL as at 30 June 2019 for the Group (EURO)
Cash and cash equivalents	992,575	709,125	956,482	806,655
Financial assets measured at fair value through profit or loss	1,892,207	2,058,398	1,940,080	2,392,152
a) financial assets held for trading	270,538	345,863	205,225	425,510
b) financial assets measured at fair value	345,094	388,025	367,476	504,410
c) other financial assets mandatorily measured at fair value	1,276,575	1,324,510	1,367,379	1,462,232
Financial assets measured at fair value through other comprehensive income	7,870,200	9,352,081	9,109,726	9,850,320
Financial assets measured at amortised cost	151,183,057	148,767,792	135,869,471	130,614,294
Due from banks	7,215,898	8,984,233	8,405,860	6,052,250
Due from customers	143,967,159	139,783,559	127,463,611	124,562,044
Hedging derivatives	11,876	16,437	17,816	8,786
Value adjustment of financial assets hedged generically (+/-)	222,493	227,683	139,945	166,338
Equity Investments	114,502	107,492	88,893	140,543
Property, plant and equipment	2,741,691	2,798,679	2,842,541	2,816,694
Intangible assets	168,844	150,459	146,462	134,312

- goodwill	23,030	25,611	25,868	52,780
Tax assets	2,119,045	2,099,718	2,135,149	2,201,216
a) current	489,246	434,117	432,725	505,638
b) deferred	1,629,799	1,665,601	1,702,424	1,695,578
Non-current assets and disposal groups held for sale	18,368	28,175	33,856	39,372
Other assets	1,933,255	2,146,687	2,250,045	2,162,716
TOTAL ASSETS	169,268,115	168,462,726	155,530,466	151,333,398

LIABILITIES	TOTAL as at 31 December 2020 for the Group (EURO)	TOTAL as at 30 June 2020 for the Group (EURO)	TOTAL as at 31 December 2019 for the Group (EURO)	TOTAL as at 30 June 2019 for the Group (EURO)
Financial liabilities measured at amortised cost	154,229,489	152,889,943	140,832,997	137,029,971
Due to banks	32,114,297	29,832,621	18,873,746	20,805,129
Due to customers	108,396,697	108,461,986	105,581,113	98,825,018
Securities issued	13,718,495	14,595,336	16,378,138	17,399,824
Financial liabilities held for trading	243,808	305,106	163,728	337,234
Financial liabilities measured at fair value	3,117	7,393	11,461	19,585
Hedging derivatives	514,743	446,689	321,431	388,618
Value adjustment of financial liabilities hedged generically (+/-)	(1,672)	(1,298)	(825)	(245)
Tax liabilities	101,216	103,975	105,945	88,306
a) current	3,495	26,899	19,113	14,184

b) deferred	97,721	77,076	86,832	74,122
Liabilities associated with assets held for sale	-	-	-	-
Other liabilities	3,018,072	3,620,672	3,111,184	2,512,650
Employee termination benefits	295,178	299,320	306,254	323,684
Provisions for risks and charges	528,107	500,957	445,700	438,433
a) commitments and guarantees issued	232,346	206,513	205,309	184,354
c) other provisions for risk and charges	295,761	294,444	240,391	254,079
Valuation reserves	253,301	223,794	254,511	171,453
Equity instruments	30,139	30,139	30,139	30,139
Reserves	8,575,538	8,592,318	8,390,589	8,366,489
Share premiums reserves	150,256	148,039	146,702	146,014
Share capital	2,307,331	2,314,349	2,313,691	2,315,758
Treasury shares (-)	(1,247,818)	(1,212,252)	(1,212,256)	(1,091,340)
Non-controlling interests (+/-)	71,517	71,459	70,737	78,030
Net profit (loss) for the period (+/-)	195,793	122,123	238,478	178,619
TOTAL LIABILITIES	169,268,115	168,462,726	155,530,466	151,333,398

Income Statement

INCOME STATEMENT	TOTAL as at 31 December 2020 for the Group (EURO)	TOTAL as at 30 June 2020 for the Group (EURO)	TOTAL as at 31 December 2019 for the Group (EURO)	TOTAL as at 30 June 2019 for the Group (EURO)
Interest and similar income	2,999,512	1.459.401	2,912,506	1,525,819
Interest and similar expenses	(478,391)	(248,434)	(562,661)	(307,646)
Net interest income	2,521,121	1,210,967	2,349,845	1,218,173
Fee and commission income	1,396,658	664,777	1,441,401	701,256
Fee and commission expense	(134,698)	(60,596)	(172,838)	(95,233)

Net fee and commission income (expense)	1,261,960	604,181	1,268,563	606,023
Dividends and similar income	6,339	4,967	4,373	3,582
Net gain (loss) on trading activities	24,242	9,473	19,752	10,763
Net gain (loss) on hedging activities	(3,278)	(2,167)	(4,772)	(1,059)
Net gain (loss) on the disposal or repurchase of:	264,627	219,039	246,469	91,786
a) financial assets measured at amortised cost	169,853	166,127	151,666	61,529
b) financial assets measured at fair value through other comprehensive income	95,115	52,634	94,420	29,268
c) financial liabilities	(341)	278	383	989
Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss	(1,350)	(12,925)	40,722	30,784
a) financial assets and liabilities measured at fair value	1,316	(1,707)	3,168	4,427
b) other financial assets mandatorily measured at fair value	(2,666)	(11,218)	37,554	26,357
Gross income	4,073,661	2,033,535	3,924,952	1,960,051
Net losses/recoveries for credit risk in respect of:	(837,532)	(387,495)	(666,344)	(261,307)
a) financial assets measured at amortised cost	(831,806)	(377,813)	(667,458)	(263,657)
b) financial assets measured at fair value through other comprehensive income	(5,727)	(9,682)	1,114	2,350
Gains/losses from contractual modifications without derecognition	(3,197)	(2,010)	(14,319)	(649)
Net income (loss) from financial operations	3,232,931	1,644,030	3,244,289	1,698,095
Net income (loss) from financial and insurance operations	3,232,931	1,644,030	3,244,289	1,698,095
Administrative expenses:	(2,987,996)	(1,472,317)	(3,018,872)	(1,522,098)
a) personnel expenses	(1,729,164)	(833,691)	(1,700,252)	(826,810)
b) other administrative expenses	(1,258,832)	(638,626)	(1,318,620)	(695,288)
Net provisions for risks and charges	(88,807)	(48,053)	(30,568)	(1,486)

a) commitments and guarantees issued	(29,833)	(3,970)	(13,569)	9,697
b) other net provisions	(58,973)	(44,083)	(16,999)	(11,183)
Net adjustments of property, plant and equipment	(198,835)	(93,393)	(178,472)	(84,802)
Net adjustments of intangible assets	(31,890)	(9,783)	(21,325)	(8,442)
Other operating expenses/income	328,010	165,747	347,415	158,412
Operating costs	(2,979,517)	(1,457,799)	(2,901,822)	(1,458,416)
Profit (loss) from equity investments	(7,742)	193	10,899	2,948
Net gain (loss) from valuation at fair value of property, plant and equipment and intangible assets	(40,118)	(10,775)	(22,858)	(13,888)
Goodwill impairment	(2,842)	(259)	(22,671)	-
Profit (loss) from disposal of investments	(634)	(310)	2,160	3,180
Income (loss) from continuing operations, before taxes	202,077	175,080	309,997	231,919
Income taxes for the period relating to continuing operations	242	(48,455)	(65,049)	(50,540)
Profit (loss) after tax on continuing operations	202,320	126,625	244,948	181,379
Profit (loss) after tax on discontinued operations	-	-	15	-
Net profit (loss) for the period	202,320	126,625	244,963	181,379
Net profit (loss) for the period – non-controlling interests	6,527	4,502	6,485	2,760
Net profit (loss) for the period – shareholders of the Issuer	195,793	122,123	238,478	178,619

As regards consolidated own funds and capital adequacy, at 31 December 2020 the CET1 ratio came to 16,7% with a capital equal to Euro 11,02 billion and the TC ratio came to 17,5%, with a capital equal to Euro 11,51 billion.

As at 30 June 2020, the CET1 ratio came to 16.1% with a capital equal to Euro 10,94 billion and the TC ratio came to 16.9%, with a capital equal to Euro 11,46 billion, while, as at 31 December 2019, the CET1 ratio came to 15.5% with a capital equal to Euro 11.02 billion and the TC ratio came to 16.3%, with a capital equal to Euro 11.62 billion, while, at 30 June 2019 the CET1 ratio came to 15.5% with a capital equal to Euro 11.09 billion and the TC ratio came to 15.8%, with a capital equal to Euro 11.31 billion.

As regards RWA values of the Group, these were equal to: Euro 65,93 billion as at 31 December 2020, Euro 67,91 billion as at 30 June 2020, Euro 71.12 billion at 31 December 2019 and Euro 71.59 billion as at 30 June

2019.

The Group's business model aims for full territorial coverage with an extensive client base over the long term. As at December 2020, the amount of gross loans to customers was Euro 92,8 billion (while the net amount was equal to Euro 87,3 billion) of which approximately 84% comprised loans granted to individuals (Euro 32,5 billion) and SMEs (Euro 45 billion) which represent, respectively, 35% and the 49% of the total loans granted. Accordingly, such breakdown of loans by counterparty type bears out the business model of the affiliated BCCs.

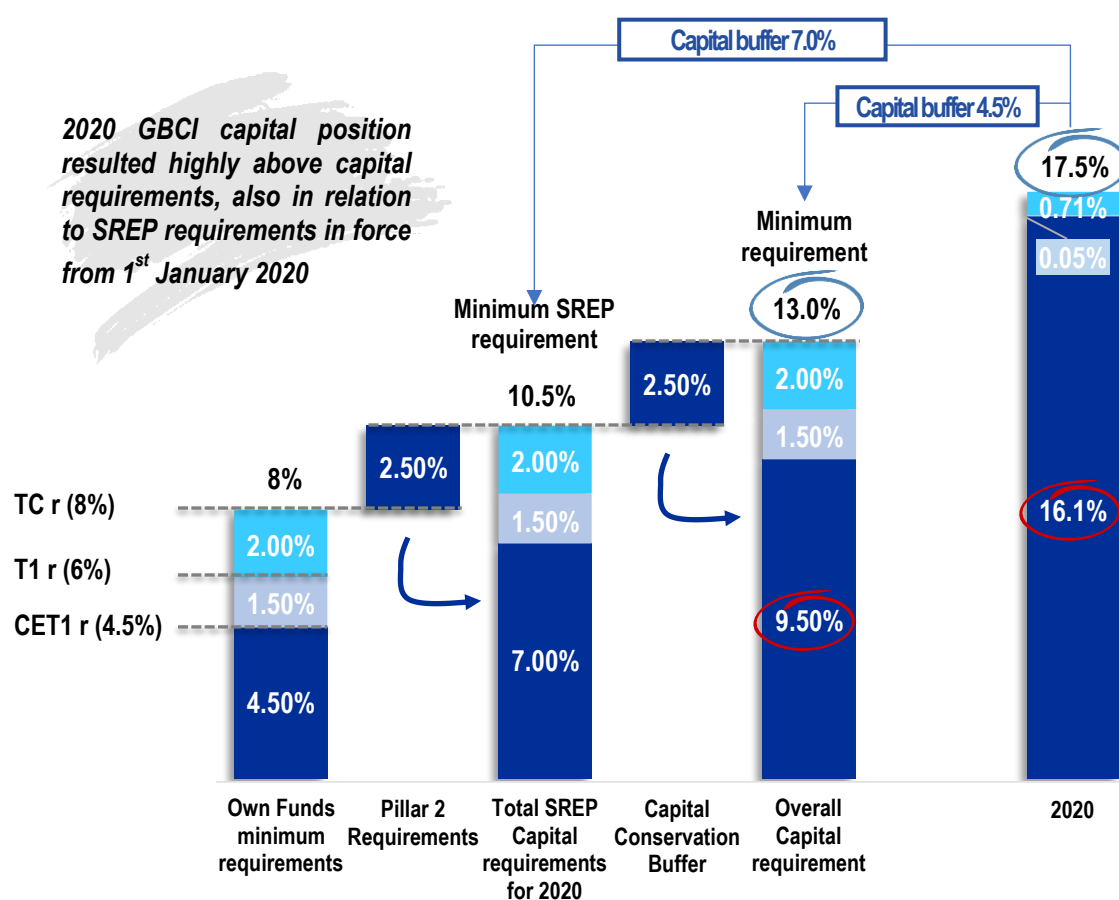
During 2020, certain liability maturities have been postponed. With regard to the Group's bond issuance position, during the first semester of 2020 about €1.4 billion expired and about € 0.13 billion has been reimbursed in advance by Iccrea Banca. As regard T-LTRO activities, the Group's maturing positions at December 2020 differs as compared with December 2019. In particular, at December 2020, T-LTRO II funding have been reimbursed and the Group has participated in the T-LTRO III Programme for more than € 29,9 billion, postponing the maturities to the year 2023.

Maturity Bond Issuances			Maturing TLTRO Tranches		
€/bn	31/12/2019	31/12/2020	€/bn	31/12/2019	31/12/2020
2021	3,14	2,92	2021	10,79	0,0
2022	2,23	2,33	2022	0,51	0,46
2023	0,88	1,02	2023	0,00	28,85
2024	0,48	0,55	2024	0,00	3,16

The Group's financial investments amount to approximately € 67,2 billion, of which 85% is allocated to the portfolio valued at amortized cost (Hold to Collect - HTC business model) in line with the traditional business model that characterizes the BCCs, aimed at benefiting from the coupon yield and at not exposing own funds to volatility risks.

With regards to capital requirements, the Group's capital position at December 2020 was above the SREP requirements in force from 1 January 2020.

Capital buffer - %



Organisational Structure

The members of the Board of Directors, Management Board, and Board of Auditors of the Issuer as of the date of this Base Prospectus are listed hereunder, together with details of their positions and any principal activities carried out in other companies where these may overlap with the office held in the context of the Issuer:

Board of Directors

The Board of Directors of the Issuer is composed of fifteen members, including the Chairman appointed at the Shareholders' Meeting and a Vice Chairman with duties as a Substitute (Vicario) appointed by the Board of Directors recommended by the Chairman.

The extraordinary meeting of the Issuer, held on 30 April 2019, renewed the members of the Board of Directors for the 2019-2021 financial years. They will remain in place until the shareholders' meeting called to approve the financial statements 2021.

The members of the Board of Directors in office at the date of approval of this Base Prospectus and the list of the main activities performed by them outside of the Issuer, which are significant in respect to the Issuer, are indicated in the following table:

Name	Responsibilities within the Issuer	Principal activity outside the Issuer
Maino Giuseppe	Chairman (<i>Presidente</i>)	Chairman of Banca di Milano CC; Chairman of BCC Solutions S.p.A.; Vice Chairman of Federazione Lombarda BCC S.C., BCC Pay S.p.A., Director of Federcasse-Federazione Italiana BCC/CRA, Tertio Millennio ETS, C.E. ABI.
Stra Pierpaolo	Vice Chairman with vicarious functions (<i>Vice Presidente Vicario</i>)	Vice Chairman of Banca d'Alba, Langhe e Roero e del Canavese Scarl; Chairman of the Board of Statutory Auditors of Egea Produzioni e Teleriscaldamento S.R.L., Telenergia S.R.L, SIR Color S.R.L., Tecnoedil S.p.A., Valenza Rete Gas S.p.A.; Auditor: Essex Italia S.p.A, Agecontrol S.p.A., Alta Langhe Servizi S.p.A., Carmagnola Energia S.r.l., Egea Commerciale S.r.l., Langhe Roero Leader Soc. Cons. a r.l., Mollo S.r.l., Sep Soc Energetica Piosasco S.p.A., Tanaro Power S.r.l., Valbormida Energia S.p.A.; Sole Auditor of Stirano S.r.l.; Director of Fondazione Banca d'Alba Onlus, Fondazione Banca del Canavese.
Saporito Salvatore	Vice Chairman	Chairman of BCC G. Toniolo di San Cataldo S.c.r.l; Director of Federcasse-Federazione Italiana

	<i>(Vice Presidente)</i>	BCC/CRA, Federazione Siciliana delle BCC S.c.r.l.,
Alfieri Lucio	Director <i>(Consigliere)</i>	Chairman of BCC di Buccino e dei Comuni Cilentani s.c.; Director of Federcasse-Federazione Italiana CRA-BCC, Federazione Campana delle BCC s.c.; Fondo di Garanzia Obbligazionisti del C.C., Fondo di Garanzia Istituzionale del C.C.; Sole Director of A&M Immobiliare S.R.L. and M&A S.R.L..
Bernardi Giuseppe	Indipendent Director <i>(Consigliere Indipendente)</i>	Chairman of/A.D. Business Bridge S.r.l.; Member of steering committee of Fondazione della Banca del Monte di Lombardia.
Carri Francesco	Director <i>(Consigliere)</i>	Vice Chairman with vicarious functions of Terre Etrusche e di Maremma Credito Cooperativo S.C. (Banca Tema); Chairman of BCC PAY S.p.A.; Director of Federazione Toscana BCC S.c.r.l., Tertio Millennio ETS, ABI; Auditor of IBF Servizi S.p.A.;
Fiordelisi Teresa	Director <i>(Consigliere)</i>	Chairman of BCC Basilicata C.C. di Laurenzana e Comuni Lucani S.C.; Director of ECRA S.r.l.; CO.SE.BA Scpa, Director of Federcasse-Federazione Italiana BCC/CRA; Director of Federazione BCC Puglia e Basilicata S.C..
Gambi Giuseppe	Director <i>(Consigliere)</i>	Vice Chairman of C.C. Ravennate, forlivese e Imolese S.C.; Chairman of the Board of Statutory Auditors of Brio S.p.A., Valfrutta Fresco S.p.A., Gemos SC, Consorzio Faentino Utenti gas tecnici soc. coop. cons., Jingold S.p.A; Auditor: Alegra Soc. coop. agricola, Aurel SpA, Confartigianato Servizi S.C. Cons., Conserve Italia Soc. Coop. Agricola; Chairman of the Board of Auditors Confcooperative-Unione Territoriale Ravenna e Rimini;

		Auditor: Confcooperative - Confederazione Cooperative Italiane, Federcasse-Federazione Italiana BCC/CRA.
Leone Paola	Independent Director (<i>Consigliere Indipendente</i>)	
Longhi Maurizio	Director (<i>Consigliere</i>)	Vice Chairman with vicarious functions of BCC di Roma S.C.; Chairman of Banca per lo Sviluppo della Cooperazione di Credito S.p.A., Sinergia S.p.A.; CRAMAS Società di Mutuo Soccorso; Director of Consorzio fra mutue italiane di previdenza e assistenza; Sole Auditor of Federazione BCC Lazio, Umbria e Sardegna S.C.
Menegatti Luigi	Independent Director (<i>Consigliere Indipendente</i>)	Chairman of Itas Patrimonio S.p.A. Director of Polymnia Venezia S.r.l.; Auditor of Geo & Tex 2000 S.p.A.
Minoja Mario	Independent Director (<i>Consigliere Indipendente</i>)	Director of Aletti & C. Banca d'investimento mobiliare S.p.A., Regina Catene calibrate S.p.A.; Auditor of Italgalvano SpA, Marsilli S.p.A.
Piva Flavio	Director (<i>Consigliere</i>)	Chairman of Banca di Verona e Vicenza C.C.; ,Federazione Veneta BCC S.C.; Director of BCC Solutions S.p.A, CAD IT S.p.A., Fiera di Padova Immobiliare S.p.A.
Porro Angelo	Director (<i>Consigliere</i>)	Chairman of CRA di Cantù BCC; Director of Federazione Lombarda delle BCC s.c. Confcooperative Insubria, Fondazione Provinciale Comunità Comasca Onlus.

All members of the Board of Directors are in possession of the requisites of professionalism, integrity and independence provided for by the legal and regulatory provisions and, for the purposes of their office, are domiciled at the registered office of the Issuer.

Management Board

The Management Board is made up of the Managing Director and two Vice Chairman. The Managing Director was appointed on 17 June 2019 and the Vice Managing Directors were appointed by the Board of Directors of the Issuer on 16 January 2020. On 9 October 2020 Mr. Francesco Romito was appointed as Vice Managing Director with vicarious functions in substitution of Mr. Giovanni Boccuzzi.

The following table comprises a list of the members of the Management Board and the main activities performed by them outside of the Issuer, which are significant in respect to the Issuer, on the date of approval of this Base Prospectus.

Name	Responsibilities within the Issuer	Principal activity outside Iccrea Banca S.p.A.
Mauro Pastore	Managing Director <i>(Direttore Generale)</i>	Chairman of BCC Sistemi Informatici Director of Comitato Gestione Fondo Temporaneo C.C., ABI.
Francesco Romito	Deputy General Manager with vicarious functions <i>(Vicedirettore Generale Vicario)</i>	
Pietro Galbiati	Deputy General Manager <i>(Vicedirettore Generale)</i>	Vice Chairman with vicarious functions of BCC Sistemi Informatici; Vice Chairman with vicarious functions of Sinergia S.p.A.; Director of BCC Servizi Assicurativi Srl, BCC Credito Consumo, BCC Gestione Crediti S.p.A..

All members of the Management Board of the Issuer are, for the purposes of the office held, domiciled at the registered office of the Issuer.

Board of Statutory Auditors

The Board of Statutory Auditors of the Issuer is composed of three auditors and two substitute auditors, appointed by the Shareholders' Meeting which, among them, appoints the Chairman. The ordinary Shareholders' Meeting of the Issuer, held on 30 April 2019, renewed the members of the Board of Statutory Auditors for the years 2019-2021. Starting from 23 April 2013, the Board of Statutory Auditors of the Issuer has assumed the role of Supervisory Body (*organismo di vigilanza*) for the purposes of Legislative Decree 231/01.

The following table comprise a list of the members of the Issuer's Board of Statutory Auditors and the main activities performed by them outside the Issuer, as significant having regard to the Issuer at the date of approval of this Base Prospectus:

Name	Responsibilities within the Issuer	Principal activity outside the Issuer
Sbarbati Fernando	Chairman (<i>Presidente</i>)	<p>Chairman of the Board of Statutory Auditors of BCC CreditoConsumo S.p.A., Banca Mediocredito FVG, Smartp@per S.p.A.;</p> <p>Auditor of BCC Solutions S.p.A.;</p> <p>Auditor of FDR Gestione Crediti S.p.A.; Auditor of BCC Sistemi Informatici S.p.a.; Auditor of BCC Gestione Crediti S.p.A.; Auditor of Augustawestland S.p.A.; Sema in liq. SpA;</p> <p>Auditor of Enel Produzione S.p.A.;</p> <p>Auditor of BCC Beni Immobili S.r.l., Enel Green Power Solar Energy S.r.l. Enel SI SrL;</p> <p>Substitute Auditor of BCC Lease S.p.A., Enel Italia SpA, Selex Es SpA in liq..</p>
Andriolo Riccardo	Auditor (<i>Sindaco effettivo</i>)	<p>Chairman of the Board of Statutory Auditors of Alpes S.r.l,</p> <p>Auditor of BCC Servizi Assicurativi;</p> <p>Auditor of BCC Risparmio e Previdenza Spa;</p> <p>Auditor of BCC CreditoConsumo S.p.A.;</p> <p>KERVIS SGR SpA, Prisma Srl, SDI Automazione Industriale SpA, DF LABS S.p.A.;</p> <p>Substitute Auditor of Iccrea BancaImpresa S.p.A.;</p> <p>Substitute Auditor of BCC Factoring, BCC Gestione</p>

Crediti S.p.A., Next Imaging 29 SpA, BIDCO S.p.A.
IMAGE S.p.A..

Zanardi Barbara	Auditor (<i>Sindaco effettivo</i>)	Chairman of the Board of Statutory Auditors of BCC LEASE S.p.A., GMC S.p.A., Hawort Italy Holding S.r.l., Società Benefit Gemelli Medical Center S.p.A; Director of Avvenire S.p.A.: Iren SpA, Iren Mercato SpA, Techshop SGR SpA; Auditor of Poste Vita S.p.A., Charme Management S.r.l., Mutti S.p.A., Federcalcio Servizio Srl, Cassina S.p.A., Poltrona Frau S.p.A.; Rai Way S.p.A.; Membro Collegio Sindacale: Cooperativa San Martino S.c.a.r.l.; Substitute Auditor of BCC Gestione Crediti S.p.A; Substitute Auditor of BCC Credito Consumo S.p.A; Substitute Auditor Bancometalli Sp.A., Idea Real Estate S.p.A, Castello di AMA S.r.l, Finross S.p.A.; Auditor: R1 S.p.A., EUROME S.r.l..
Vento Gianfranco Antonio	Substitute auditor (<i>Sindaco supplente</i>)	Chairman of Board of Statutory Auditors of Principia SGR SpA, Ge.Se.Pu. SpA in liq.; Director of A di R Mutua Assicurazione, Cassa di Risparmio di San Marino; Auditor of Adenium SGRPA in liq.;
Cignolini Michela	Substitute auditor (<i>Sindaco supplente</i>)	Auditor of Friulanagas SpA; Director of Pronet Srl, Associazione Commercialisti Triveneto.

The members of the Board of Directors, the Management Board and the Board of Statutory Auditors are all domiciled for the purpose of their appointment at the registered office of the Issuer at Via Lucrezia Romana 41/47, 00178 Rome.

Conflicts of Interest

There are no potential conflicts of interest between the duties of the directors and their private interests or other duties.

However, certain members of the Board of Directors, Management Board, and Board of Statutory Auditors of the Issuer hold identical offices in other companies (as described in the tables above), and this situation, together with other circumstances which may arise from time to time, may lead to conflicts of interest. Where such conflicts arise, the Issuer has in place procedures to manage the situation in accordance with applicable

laws. More specifically, the Issuer manages conflicts of interest in accordance with article 2391 of the Italian Civil Code and article 136 of the Consolidated Banking Act.

Financial Statements

The Issuer prepares consolidated and separate annual financial statements and interim financial statements and, as the head group company of the Iccrea Cooperative Banking Group (*Gruppo Bancario Cooperativo Iccrea*), prepares the consolidated financial statements.

Auditors

The Issuer's separate annual financial statements as at 31 December 2020 and 31 December 2019 and the annual consolidated financial statements of the Issuer as at 31 December 2020 and 31 December 2019 incorporated by reference herein have been audited, without qualification and in accordance with generally accepted standards in the Republic of Italy, by Ernst & Young S.p.A. The audit reports of Ernst & Young S.p.A. are available to the public and incorporated by reference herein.

Ernst & Young S.p.A. is an independent registered public accounting firm and a member of the ASSIREVI – *Associazione Nazionale Revisori Contabili*, being the Italian Auditors Association. The business address of Ernst & Young S.p.A. is Via Lombardia, 31 – 00187 Rome, Italy. The shareholders meeting of 30 April 2019 appointed Ernst & Young S.p.A. as auditor for the years 2019-2020.

Ernst & Young S.p.A.'s appointment has terminated with the audit of the Issuer's annual separate and consolidated financial statements as at 31 December 2020. At the Issuer's annual general meeting held in 28 May 2021, the Issuer appointed Mazars Italia S.p.A as independent auditor for the years 2021-2029.

Mazars Italia S.p.A is an independent registered public accounting firm and a member of the ASSIREVI – *Associazione Nazionale Revisori Contabili*, being the Italian Auditors Association. The business address of Mazars Italia S.p.A is Via Ceresio, 7, 20154 Milan.

Values and Sustainable Development Goals

The Group aims to include several of the 17 Sustainable Development Goals adopted by the United Nations in 2015 as part of the Group's business objectives and is inspired by the values contained in the Encyclical Letter of Pope Francis published in 2015 entitled "Laudato si" (Praise be to all). It encourages sustainable, fair and responsible economic development in Italy by providing financial support to entrepreneurs and small businesses. The concept of sustainability is part of the DNA and a core value of the BCC; article 2 of the by-laws of the BCC and the so-called "Charter of Values" (*Carta dei Valori*) of the BCC show that it is central to its principles, values and growth in terms of market and business for cooperative credit.

Legal and Arbitration Proceedings

As of the date of this Base Prospectus, the Issuer is involved in certain administrative, legal and arbitration proceedings relating to its ordinary business activities.

Although the outcome of these proceedings is difficult to forecast, the Issuer does not believe that they will have a significant effect on the financial situation or profitability of the Issuer or the Group.

In any case, based on an assessment of the possible risk of these litigations, the Issuer has made a provision to the Risks and Charges account (Item 100 c. of the balance sheet) for the amount of Euro 21,867 which it considers adequate to cover the amounts that could become due in relation to these litigations.

Recent developments

Iccrea Cooperative Banking Group successfully passed ECB Comprehensive Assessment

Following the comprehensive assessment, launched in February 2020 by the ECB, thereafter suspended due to the Covid-19 emergency and finally resumed in August 2020, the ECB found the Group's capital levels above the minimum thresholds and no capital gaps, even in particularly conservative scenarios:

- Group CET1 ratio equal to 12.3% in the "baseline" scenario above the minimum solvency threshold of 8%;
- Group CET1 ratio of 5.7% in an "adverse" scenario above the minimum solvency threshold of 5.5%.

For more details on the outcome of the comprehensive assessment investors may refer to the Issuer's press release dated 9 July 2021 which is incorporated by reference herein (see "*Information Incorporated by Reference*" above).

THE GUARANTOR

Introduction

The Guarantor, Iccrea Covered Bond S.r.l., is a limited liability company (*società a responsabilità limitata*) incorporated on 8 April 2019 under the laws of the Republic of Italy pursuant to article 7-bis of the Law 130, fiscal code and enrolment with the companies register of Rome No. 15231571009, part of the *Gruppo Bancario Cooperativo Iccrea*. The Guarantor has no employees and no subsidiaries.

The Guarantor has its registered office at Via Lucrezia Romana 41-47, 00178 Rome, Italy; the telephone number of the registered office is +39 0438 360926, the PEC address is iccrea.cb@pec.spv-services.eu.

The Guarantor is part of the *Gruppo Bancario Cooperativo Iccrea* and is subject to the direction and coordination activity (*attività di direzione e coordinamento*) by Iccrea Banca that holds 90% of the Guarantor's quota capital.

The Guarantor will commence operations following its entry into the Transaction Documents to which it is a party.

Principal Activities

The duration of the company is up to 31 December 2100 and may be extended. The sole purpose of the Guarantor under the objects clause in its by-laws is the ownership of the Covered Pool and the granting to, *inter alios*, the Covered Bondholders of the Covered Bond Guarantee.

Quota Capital

The outstanding capital of the Guarantor is Euro 10,000, fully paid-up and divided into quotas as described below. The quotaholders of the Guarantor are as follows:

Quotaholder	Quota
Iccrea Banca S.p.a.	€9,000.00 (90% of the capital)
Stichting Campari	€1,000.00 (10% of capital)

Iccrea Banca S.p.a., with the 90 per cent. of the quota capital controls Iccrea Covered Bond S.r.l., which belongs to the *Gruppo Bancario Cooperativo Iccrea*.

The Guarantor has not declared or paid any dividends or, save as otherwise described in this Base Prospectus, incurred any indebtedness.

Quotaholders' Agreement

Under the Quotaholders' Agreement, each Quotaholder has agreed and undertaken to and with each other and the Representative of the Covered Bondholders, for the period necessary in order to exercise the call option and the put option granted thereunder, to keep its quota free and clear of any liens, claims, burdens, encumbrances, security interests or any other rights of any third parties whatsoever and not to sell, charge, pledge or otherwise dispose in any manner whatsoever of its quota.

The Quotaholders' Agreement contains put and call options granted pursuant to article 1331 of the Italian Civil Code in respect of the entire quota of Stichting Campari in the Guarantor's quota capital. In detail, Stichting Campari has granted Iccrea an option to purchase the whole of Stichting Campari's quota and Iccrea has granted Stichting Campari an option to sell such quota, in each case at a price equal to the nominal value of the quota. In both cases, the option is exercisable exclusively from the later of the Expiry Date and the date falling five years after the Issue Date of the first Tranche of Covered Bonds issued under the Programme. Any

purchase by Iccrea may be affected either directly or through another company of the *Gruppo Bancario Cooperativo Iccrea* selected by Iccrea.

Management

Director

The following table sets out certain information regarding the Sole Director of the Guarantor.

Name	Position	Principal activities performed outside the Guarantor
Andrea Torri	Sole Director	Member of the Board of Directors of Hi-Mtf Sim S.p.A. and member of the presiding committee of Assiom Forex

The business address of the Sole Director is the Guarantor's registered office at Via Lucrezia Romana 41-47, 00178 Rome, Italy.

Board of Statutory Auditors

No Board of Statutory Auditors has currently been appointed.

Conflict of Interest

There are no potential conflicts of interest between the duties of the directors and their private interests or other duties.

Financial Statements

The financial year of the Guarantor ends on 31 December of each calendar year.

The financial information of the Guarantor derives from the statutory financial statements of the Guarantor as at and for the years ended on 31 December 2020 and 31 December 2019. Such financial statements, together with their respective auditors' reports and the relevant accompanying notes, are incorporated by reference into this Base Prospectus (see "*Information Incorporated by Reference*" above). The Guarantor has not, from the date of its incorporation, carried out any business activities nor has incurred in any financial indebtedness.

THE SELLERS

Below is a list and description of the Sellers belonging to the *Gruppo Bancario Cooperativo Iccrea*:

- Banca Centro - Credito Cooperativo Toscana - Umbria - Società Cooperativa;
- Banca di Credito Cooperativo di Milano - Società Cooperativa;
- Banca di Credito Cooperativo di Staranzano e Villesse - Società Cooperativa;
- Banca Patavina Credito Cooperativo di Sant' Elena e Piove Di Sacco - Società Cooperativa;
- Centromarca Banca - Credito Cooperativo di Treviso e Venezia, Società Cooperativa per Azioni;
- Credito Cooperativo Friuli (Abbreviato Credifriuli) - Società Cooperativa;
- Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa;
- Emil Banca - Credito Cooperativo - Società Cooperativa,

(the “**Initial Sellers**”)

Banca Centro - Credito Cooperativo Toscana - Umbria - Società Cooperativa

Banca Centro - Credito Cooperativo Toscana - Umbria - Società Cooperativa (“**Banca Centro Toscana-Umbria**”) is a bank incorporated under Italian law, registered with the Company Register of Siena with fiscal code 03518350545, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 8057 (ABI code 7075); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

Banca Centro Toscana-Umbria was founded on 1 July 2016. On 10 January 2020, BCC Umbria Credito Cooperativo - Società Cooperativa incorporated, effective as of 1 January 2020, Banca CRAS - Credito Cooperativo Toscano – Siena, changing its denomination in Banca Centro - Credito Cooperativo Toscana - Umbria - Società Cooperativa.

Banca Centro Toscana-Umbria has its registered office in Via del Crocino, 2 - 53018 Sovicille (SI), Italy. Pursuant to Article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

Banca Centro Toscana-Umbria is active in the areas of traditional banking as well as in some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members' loans, either for investment or other purposes.

Organisation

Banca Centro Toscana-Umbria's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed as follows:

Board of Directors	
Name	Title
Campagna Carmelo	Chairman

Faccendi Florio	Vice Chairman
Benocci Corrado	Director
Cesaroni Mauro	Director
Conte Bartolo	Director
Fiorillo Marco	Director
Giardini Cristian	Director
Giontella Caterina	Director
Mezzasoma Luigi	Director
Paolini Roberto	Director
Pecetti Luca	Director
Verdi Michele	Director

The Board of Statutory Auditors is composed as follows:

Board of Statutory Auditors	
Name	Title
Natali Camillo	Chairman
Dragoni Roberto	Auditor
Guarducci Enrico	Auditor

Auditors

The auditor of Banca Centro Toscana-Umbria is E&Y S.p.A., appointed to audit the bank's annual financial statements up to the year ending 31 December 2027.

General Management

The General Manager of Banca Centro Toscana-Umbria is Giubboni Umberto and the Co-General Manager is Morlandi Marcello.

Share capital and shareholders

According to article 20 of its by-laws, Banca Centro Toscana-Umbria has issued and fully paid-up capital of Euro 25,226,715.22 consisting of 1,002,688 shares with nominal value of Euro 25.00 each. As of the date of this Base Prospectus, the bank has no. 16,974 shareholders.

Banca di Credito Cooperativo di Milano - Società Cooperativa

Banca di Credito Cooperativo di Milano - Società Cooperativa (“**BCC Milano**”) is a bank incorporated under Italian law, registered with the Company Register of Milano Monza Brianza Lodi with fiscal code 01132850155, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 4496 (ABI code 8453); BCC Milano belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

BCC Milano constitutes the continuation of the Banca di Credito Cooperativo di Carugate, founded in 1953, of the Banca di Credito Cooperativo di Inzago, founded in 1898, of the Banca di Credito Cooperativo di Sesto San Giovanni, founded in 1952 and of the Banca di Credito Cooperativo di Cernusco sul Naviglio, founded in 1989.

The bank has its registered office in Via A. De Gasperi 11 - 20061 Carugate, Italy. Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

BCC Milano is active in the areas of traditional banking as well as some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, BCC Milano offers preferential rates on its members' loans, either for investment and/or other purposes.

Organisation

BCC Milano's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed as follows:

Board of Directors	
Name	Title
Maino Giuseppe	Chairman
Maggioni Giovanni	Vice Chairman
Comi Maurizio	Chairman
Sambruna Monica	Chairman
Allievi Augusto	Director
Barbanti Monica	Director
Bolla Giovanni Battista	Director
Brambilla Laura	Director
Crippa Aldo	Director
Facchinetti Sergio Marino	Director
Maggioni Enzo	Director
Marasco Angelo	Director
Sturaro David	Director

The Board of Statutory Auditors is composed as follows:

Board of Statutory Auditors	
Name	Title
Stucchi Marco	Chairman
Colnaghi Matteo Aldo	Auditor
Consolandi Flavio	Auditor

Auditors

The auditing firm EY S.p.A. is appointed to audit the bank's annual financial statements up to the year ending 31 December 2027.

General Management

The General Manager of BCC Milano is Giorgio Beretta.

Share capital and shareholders

According to article 20 of its by-laws, BCC Milano has issued and fully paid-up capital of Euro 52,769,470 consisting of 2,043,744 shares with nominal value of Euro 25.82 each. As of the date of this Base Prospectus, the bank has no. 20,076 shareholders.

Banca di Credito Cooperativo di Staranzano e Villesse - Società Cooperativa

Banca di Credito Cooperativo di Staranzano e Villesse - Società Cooperativa (“**BCC Staranzano e Villesse**”) is a bank incorporated under Italian law, registered with the Company Register of Gorizia with fiscal code 00064500317, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 3476 (ABI code 8877); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

BCC Staranzano e Villesse was founded on 08 November 1896 and on 26 October 2009 it merged by incorporation into Bcc di Staranzano.

The bank has its registered office in Piazza della Repubblica, 9 - 34079, Staranzano (GO), Italy. Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

BCC Staranzano e Villesse is active in the areas of traditional banking as well as of innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members' loans, either for investment or other purposes.

Organisation

BCC Staranzano e Villesse's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed of the following:

Board of Directors	
Name	Title
Feruglio Carlo Antonio	Chairman
Grassetti Roberto	Vice Chairman
Capello Mario	Director
Dario Rino	Director
Dorsi Marina	Director
Ferigutti Roberto	Director
Mazzarini Danilo	Director
Serbottini Roberto	Director

Spanghero Lucio	Director
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The Board of Statutory Auditors is composed of the following

Board of Statutory Auditors	
Name	Title
De Luca Roberto	Chairman
Bruno Domenico	Auditor
Ceccotti Sergio	Auditor

Auditors

The auditor of BCC Staranzano e Villesse is E&Y S.p.A., appointed to audit the bank's annual financial statements up to the year ending 31 December 2027.

General Management

The General Manager of BCC Staranzano e Villesse is Gabriele Bellon.

Share capital and shareholders

According to article 20 of its by-laws, BCC Staranzano e Villesse has issued and fully paid-up capital of Euro 177,246.00 consisting of 17,175 shares with nominal value of Euro 10.32 each. As of the date of this Base Prospectus, the bank has no. 4,619 shareholders.

Banca Patavina Credito Cooperativo di Sant' Elena e Piove Di Sacco - Società Cooperativa

Banca Patavina Credito Cooperativo di Sant' Elena e Piove Di Sacco - Società Cooperativa ("**Banca Patavina**") is a bank incorporated under Italian law, registered with the Company Register of Padova with fiscal code 00311340285, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no 221 (ABI code 8728); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

Banca Patavina was founded in 1 January 2017 as the result of the merger with Banca di Credito Cooperativo di Sant'Elena (founded in 1899) and Banca di Credito Cooperativo di Piove di Sacco (founded in 1894).

The bank has its registered office in Via Alessio Valerio 78/80 – 35028, Piove di Sacco (PD), Italy. Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

Banca Patavina is active in the areas of traditional banking as well as some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members' loans, either for investment and/or other purposes.

Organisation

Banca Patavina's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed of the following:

Board of Directors	
Name	Title
Toson Leonardo	Chairman
Trovato Mirko	Vice Chairman
Ceccarello Vanni	Director
Menin Manuela	Director
Panazzolo Gian-Filippo	Director
Pavan Bernacchi Fabrizio	Director
Pittarello Fausto	Director
Ponzin Susanna	Director
Torcellan Salvatore	Director

The Board of Statutory Auditors is composed of the following:

Board of Statutory Auditors	
Name	Title
Beltramin Alberto	Chairman
Callegari Marco	Auditor
Miolato Alessandro	Auditor
Bardelle Federica	Substitute Auditor
Lenarduzzi Dario	Substitute Auditor

Auditors

The auditor of Banca Patavina is E&Y S.p.A., appointed to audit the bank's annual financial statements up to the year ending 31 December 2027.

General Management

The General Manager of Banca Patavina is Gianni Barison.

Share capital and shareholders

According to Article 20 of its by-laws, Banca Patavina has issued and fully paid-up capital of Euro 16,393,939.56 consisting of 2,937,982 shares with nominal value of Euro 5.58 each. As of the date of this Base Prospectus, the bank has no. 10,300 shareholders.

Centromarca Banca - Credito Cooperativo di Treviso e Venezia, Società Cooperativa per Azioni

Centromarca Banca - Credito Cooperativo di Treviso e Venezia, Società Cooperativa per Azioni (“**Centromarca Banca**”) is a bank incorporated under Italian law, registered with the Company Register of Treviso with fiscal code 00176640266, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 4580 (ABI

code 8749); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

Centromarca Banca was founded in 15 June 1971. The current name of the bank is “*Centromarca Banca Credito Cooperativo di Treviso e Venezia*” following two mergers carried out with Cassa Rurale ed Artigiana di Treviso on 1 January 2016 and with Banca Santo Stefano Credito Cooperativo Martellago – Venezia on 1 October 2017.

The bank has its registered office in Via Riccardo Selvatico, 2 - 31100, Treviso, Italy. Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

Centromarca Banca is active in the areas of traditional banking as well as some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members’ loans, either for investment and/or other purposes.

Organisation

Centromarca Banca's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed as follows:

Board of Directors	
Name	Title
Cenedese Tiziano	Chairman
Tronchin Elio	Vice Chairman
De Marchi Giacomo	Director
Benetello Massimo	Director
Martini Livio	Director
Michieletto Marco	Director
Parolin Michele	Director
Volpato Emanuela	Director
Lucchetta Marcella	Director

The Board of Statutory Auditors is composed as follows:

Board of Statutory Auditors	
Name	Title
Curtolo Maria Teresa	Chairman
Calaon Massimo	Auditor
Parolin Paolo	Auditor
Munarin Gianluca	Substitute Auditor
Faldini Vittorio	Substitute Auditor

Auditors

The auditor of Centromarca Banca is E&Y S.p.A., appointed to audit the bank's annual financial statements up to the year ending 31 December 2022.

General Management

The General Manager of Centromarca Banca is Claudio Alessandrini.

Share capital and shareholders

According to article 20 of its by-laws, Centromarca Banca has issued and fully paid-up capital of Euro 2,181,635.38 consisting of 787,594 shares with nominal value of Euro 2.77 each. As of the date of this Base Prospectus, the bank has no. 8,900 shareholders.

Credito Cooperativo Friuli (Abbreviato Credifriuli) - Società Cooperativa

Credito Cooperativo Friuli (Abbreviato Credifriuli) - Società Cooperativa (“**Credifriuli**”) is a bank incorporated under Italian law, registered with the Company Register of Udine with fiscal code 02216020301, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 5503 (ABI code 7085); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

Credifriuli was founded in 29 October 2001 following the merger between Bcc Alto Friuli and Bcc di Cervignano del Friuli.

The bank has its registered office in Via Giovanni Paolo II 27 - 33100 Udine (UD), Italy. Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

Credifriuli is active in the areas of traditional banking as well as some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members' loans, either for investment and/or other purposes.

Organisation

Credifriuli's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed as follows:

Board of Directors	
Name	Title
Sartoretti Luciano	Chairman
Fruttarolo Stefano	Vice Chairman
Cattarossi Angelino	Director
Fattor Edgardo	Director
Panizzo Gian Franco	Director
Michieletto Marco	Director
Pittini Marina	Director
Rigonat Laura	Director

Sebastianutto Romano	Director
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The Board of Statutory Auditors is composed as follows:

Board of Statutory Auditors	
Name	Title
Tracogna Franco	Chairman
Salvador Cesare	Auditor
Zentilin Franco	Auditor

Auditors

The auditor of Credifriuli is E&Y S.p.A., appointed to audit the bank's annual financial statements up to the year ending 31 December 2027.

General Management

The General Manager of Credifriuli is Gilberto Noacco.

Share capital and shareholders

According to article 20 of its by-laws, Credifriuli has issued and fully paid-up capital of Euro 1,607,470.19 consisting of 56,621 shares with nominal value of Euro 28.39 each. As of the date of this Prospectus, the bank has no. 10,279 shareholders.

Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa

Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa ("**BCC Ravennate Forlivese e Imolese**") is a bank incorporated under Italian law, registered with the Company Register of Ravenna with fiscal code no. 01445030396, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 5387 (ABI code 8542); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

BCC Ravennate Forlivese e Imolese was founded on 11 September 1998. On 2 December 2002 the merger by incorporation of Credito Cooperativo Imolese SCRL into Credito Cooperativo Provincia di Ravenna Soc. Coop arl became effective; following the merger, Credito Cooperativo Provincia di Ravenna Soc. Coop arl adopted a new corporate name, "Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa". On 1 July 2017 the merger by incorporation of Banca di Forlì - Credito Cooperativo – Società Cooperativa into Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa became effective; following the merger, Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa adopted a new corporate name, "Credito Cooperativo Ravennate, Forlivese e Imolese - Società Cooperativa". The bank has its registered office in Piazza della Libertà, 14 – 48018 Faenza (RA). Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

BCC Ravennate Forlivese e Imolese is active in the areas of traditional banking as well as some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members' loans, either for investment and/or other purposes.

Organisation

BCC Ravennate Forlivese e Imolese's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed as follows:

Board of Directors	
Name	Title
Ricci Secondo	Chairman
Lombardi Gianni	Vice Chairman
Gambi Giuseppe	Director
Bacchilega Emanuela	Director
Benini Giuseppe	Director
Buzzi Antonio	Director
Caroli Paolo	Director
Cirelli Nicolina Anna Maria	Director
Cortini Giuliana	Director
Ferrini Andrea	Director
Mongardi Paolo	Director
Morfinò Riccardo Walter	Director
Samorè Tiziano	Director

The Board of Statutory Auditors is composed as follows:

Board of Statutory Auditors	
Name	Title
Berti Damiano	Chairman
Ricci Silva	Auditor
Baccarini Nicola Maria	Auditor
Bertoni Monica	Substitute Auditor
Galeotti Renzo	Substitute Auditor

Auditors

The auditors of BCC Ravennate Forlivese e Imolese are EY Spa, appointed to audit the bank's annual financial statements up to the year ending 31 December 2027.

General Management

The General Manager of BCC Ravennate Forlivese e Imolese is Gianluca Ceroni.

Share capital and shareholders

According to article 20 of its by-laws, BCC Ravennate Forlivese e Imolese has issued and fully paid-up capital of Euro 31,371,208.14 consisting of 12,159,383 shares with nominal value of Euro 2.58 each. As of the date of this Base Prospectus, the bank has no. 32,390 shareholders.

Emil Banca - Credito Cooperativo - Società Cooperativa

Emil Banca - Credito Cooperativo - Società Cooperativa (“**Emil Banca**”) is a bank incorporated under Italian law, registered with the Company Register of 02888381205 with fiscal code 02888381205, participating entity in the VAT Group of the *Gruppo Bancario Cooperativo Iccrea*, VAT. reg. no. 15240741007 and enrolled with the Register of Banks under no. 5701 (ABI code 7072); the company belongs to the *Gruppo Bancario Cooperativo Iccrea* registered in the Register of Banking Groups.

Emil Banca was founded on 24 November 2008. The following mergers by incorporation into Emil Banca have occurred within the year 2017: in particular on 1 April 2017 with regard to Banco Cooperativo Emiliano – Credito Cooperativo – Società Cooperativa (ABI 8623), and both Banca di Parma Credito Cooperativo – Società Cooperativa (ABI 7118) and Banca di Credito Cooperativo di Vergato (Bologna) Società Cooperativa (ABI 8422) on the first of December 2017.

The bank has its registered office in Via G. Mazzini no. 152 - 40138 Bologna (BO), Italy. Pursuant to article 5 of its by-laws, the bank shall be in operation until 31 December 2050, subject to extension.

Main activities and future strategies

Emil Banca is active in the areas of traditional banking as well as some innovative banking areas. The bank serves both private customers and businesses through its branches. Moreover, the bank offers preferential rates on its members’ loans, either for investment or other purposes.

Organisation

Emil Banca's operational structure is composed of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is composed as follows:

Board of Directors	
Name	Title
Massa Graziano	Chairman
Galletti Gian Luca	Vice Chairman
Barani Azio	Director
Bottoni Cristina	Director
De Scrilli Celso Luigi	Director
Fiori Viviano	Director
Gherla Alessandro	Director
Malvoti Carlo	Director
Piccinini Carlo	Director
Simonazzi Stefano	Director
Valeriani Elisa	Director

Zampini Assuero	Director
Capelli Ivonne	Director

The Board of Statutory Auditors is composed as follows:

Board of Statutory Auditors	
Name	Title
Gottardi Massimiliano	Chairman
Mondadori Aspro	Auditor
Zarri Oreste	Auditor
Bertolini Paolo	Substitute Auditor
Molinari Mauro	Substitute Auditor

Auditors

The auditor of Emil Banca is E&Y S.p.A., appointed to audit the bank's annual financial statements up to the year ending 31 December 2028.

General Management

The General Manager of Emil Banca is Daniele Ravaglia.

Share capital and shareholders

According to article 20 of its by-laws, Emil Banca has issued and fully paid-up capital of Euro 102,28,487 consisting of 3,902,4970 shares with nominal value of Euro 26.21 each. As of the date of this Prospectus, the bank has no. 50646 shareholders.

THE ASSET MONITOR

The Bank of Italy Regulations require that the Issuer appoints a qualified entity to be the asset monitor to carry out controls on the regularity of the transaction and the integrity of the Covered Bond Guarantee.

Pursuant to the Bank of Italy Regulations, the asset monitor must be an independent auditor enrolled with the Register of Certified Auditors held by the Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012 and shall be independent from the Issuer and any other party to the Programme and from the accounting firm who carries out the audit of the Issuer and the Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual reports, to be addressed also to the Board of Directors of the Issuer.

Deloitte & Touche S.p.A., is included in the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 132587.

Pursuant to an engagement letter entered into on 15 July 2021, the Issuer has appointed the Asset Monitor in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities concerning, *inter alia*, (i) the compliance with the issuing criteria set out in the Bank of Italy Regulations and the Decree 310 in respect of the issuance of covered bonds; (ii) the compliance with the limits on the transfer of the Eligible Assets and Integration Assets set out under Decree 310 and the Bank of Italy Regulations; (iii) the fulfilment of the eligibility criteria set out under Decree 310 with respect to the Eligible Assets and Integration Assets included in the Cover Pool; (iv) the compliance with the limits set out in Decree 310 with respect to Covered Bonds issued and the Eligible Assets and Integration Assets included in the Portfolios as determined in the Statutory Tests and the Amortisation Test; (v) the effectiveness and adequacy of the risk protection provided by any Asset Swap Agreement that may be entered into in the context of the Programme, (vi) the arithmetical accuracy of the calculations performed by the Test Calculation Agent in respect of the Statutory Tests and/or the Amortisation Test, and (vii) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of the European Union of 26 June 2013.

The engagement letter is in line with the provisions of the Bank of Italy Regulations in relation to the reports to be prepared and submitted by the Asset Monitor also to the Board of Directors of the Issuer.

The engagement letter provides for certain matters such as the payment of fees and expenses by the Issuer to the Asset Monitor and the resignation of the Asset Monitor.

The engagement letter is governed by Italian law.

Furthermore, on 15 July 2021, the Issuer, the Test Calculation Agent, the Guarantor Calculation Agent, the Asset Monitor, the Guarantor and the Representative of the Covered Bondholders entered into the Asset Monitor Agreement, as more fully described under "*Overview of the Transaction Documents — Asset Monitor Agreement*".

OVERVIEW OF THE TRANSACTION DOCUMENTS

Covered Bond Guarantee

On 15 July 2021, the Guarantor, the Issuer and the Representative of the Covered Bondholders entered into the Covered Bond Guarantee pursuant to which the Guarantor agreed to issue, for the benefit of the Covered Bondholders and the Other Creditors, a first demand, unconditional, irrevocable and autonomous guarantee to support payments of interest and principal under the Covered Bonds issued by the Issuer under the Programme and other payments due to the Other Creditors. Under the Covered Bond Guarantee the Guarantor has agreed to pay an amount equal to the Guaranteed Amounts when the same shall become due and payable but which would otherwise be unpaid by the Issuer. The obligations of the Guarantor under the Covered Bond Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the Guarantor, collateralised by the Cover Pool as provided under the Law 130, the Decree 310 and the Bank of Italy Regulations.

The Representative of the Covered Bondholders will enforce the Covered Bond Guarantee: (i) following the occurrence of an Issuer Event of Default and subject to any applicable grace periods, by serving an Issuer Default Notice on the Issuer and the Guarantor; and (ii) following the occurrence of a Guarantor Event of Default and subject to any applicable grace periods, by serving a Guarantor Default Notice on the Guarantor.

Following the service of an Issuer Default Notice by the Representative of the Covered Bondholders, payment of the Guaranteed Amounts shall be made by the Guarantor on the dates scheduled and for the amounts determined in accordance with the Guarantee Priority of Payments applicable in relation to each Series of Covered Bonds.

Under the Covered Bond Guarantee, the parties have agreed that, should a resolution pursuant to article 74 of the Consolidated Banking Act be issued in respect of the Issuer, although such event constitutes an Issuer Event of Default, the consequences thereof will only apply during the Suspension Period.

Following an Article 74 Event:

- (i) the Representative of the Covered Bondholders will serve an Issuer Default Notice on the Issuer and the Guarantor, specifying that an Article 74 Event has occurred and that such event may be temporary; and
- (ii) in accordance with Decree 310, the Guarantor shall be responsible for the payments of the amounts due and payable under the Covered Bonds within the Suspension Period at their relevant due date *provided that* it shall be entitled to claim any such amounts from the Issuer.

The Suspension Period shall end upon delivery by the Representative of the Covered Bondholders to the Issuer, the Guarantor and the Asset Monitor of an Article 74 Event Cure Notice, informing such parties that the Article 74 Event has been revoked.

Upon the termination of the Suspension Period the Issuer shall again be responsible for meeting the payment obligations under the Covered Bonds.

Under the Covered Bond Guarantee, the parties thereto have also agreed that, upon enforcement of the Covered Bond Guarantee, the Guarantor shall be entitled to request from the Issuer — also prior to any payments are effected by the Guarantor under the Covered Bond Guarantee — an amount up to the Guaranteed Amounts, in order to secure the Issuer obligations to the subrogation right of the Guarantor. Any sum so received or recovered from the Issuer will be used to make payments in accordance with the Covered Bond Guarantee. The parties have also agreed that the Guarantor shall no longer be entitled to request to the Issuer payment of such

amounts if a Guarantor Default Notice is delivered by the Representative of the Covered Bondholders or the Covered Bonds have been otherwise accelerated pursuant to the Conditions.

The service of a Guarantor Default Notice by the Representative of the Covered Bondholders will result in the acceleration of the right of the Covered Bondholders of each Series of Covered Bonds issued to receive payment of the Guaranteed Amounts and the Representative of the Covered Bondholders will demand the immediate payment by the Guarantor of all Guaranteed Amounts. Payments made by the Guarantor following the service of a Guarantor Event of Default shall be made *pari passu* and on a *pro-rata* basis to the Covered Bondholders of all outstanding Series of Covered Bonds, in accordance with the Post-Enforcement Priority of Payments.

Pursuant to the terms of the Covered Bond Guarantee, the recourse of the Covered Bondholders and the Other Creditors to the Guarantor under the Covered Bond Guarantee will be limited to the Guarantor Available Funds.

Furthermore, under the Covered Bond Guarantee, the parties have agreed that as of the date of administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer or following the delivery of an Issuer Default Notice to the Issuer and the Guarantor, the Guarantor (or the Representative of the Covered Bondholders pursuant to the Intercreditor Agreement) shall exercise, on an exclusive basis and in compliance with the provisions of article 4 of the Decree 310, the rights of the Covered Bondholders against the Issuer and any amount recovered from the Issuer will be part of the Guarantor Available Funds.

To the extent that the Guarantor makes, or that is made on its behalf, a payment of any amount under the Covered Bond Guarantee, the Guarantor will be fully and automatically subrogated to the Covered Bondholders' and Other Creditors' rights against the Issuer pursuant to article 2900 *et seq.* of the Italian Civil Code.

Governing law

The Covered Bond Guarantee is governed by Italian law.

Subordinated Loan Agreements

On or about the date of the Master Loans Purchase Agreement, each Seller and the Guarantor entered into a Subordinated Loan Agreement, pursuant to article 7-*bis* of the Law 130 under which each Seller granted or will grant to the Guarantor a Subordinated Loan facility in an aggregate amount equal to the relevant Total Commitment, for the purposes of funding the purchase by the Guarantor of (i) Eligible Assets from the relevant Seller pursuant to the terms of the Master Loans Purchase Agreement and (ii) Eligible Asset and/or Integration Assets from the relevant Seller pursuant to the terms of the Cover Pool Management Agreement.

Pursuant to the relevant Subordinated Loan Agreement, each Subordinated Loan Provider has acknowledged its undertakings (i) pursuant to the Cover Pool Management Agreement, to transfer further Eligible Assets and/or Integration Assets to the Guarantor and to make available to the Guarantor further Subordinated Loans in order to fund the purchase of such assets, and (ii) pursuant to the Master Loans Purchase Agreement, to make available to the Guarantor further Subordinated Loans in order to fund any settlement amounts of the purchase price of the Initial Portfolio or any New Portfolio which may be due by the Guarantor under the Master Loans Purchase Agreement.

The obligation of each Seller (in its capacity as Subordinated Loan Provider) to advance a Subordinated Loan to the Guarantor under the relevant Subordinated Loan Agreement will be off-set against the obligation of the Guarantor to pay to the relevant Seller the purchase price for the Eligible Assets and Integration Assets funded by means of the relevant Subordinated Loan.

The rate of interest applicable in respect of each Subordinated Loan for each Subordinated Loan Interest Period shall be an amount of interest equal to 0.25 per cent. per annum (the "**Base Interest**"). The amount due on each Subordinated Loan in respect of the relevant Subordinated Loan Interest Period shall be calculated on a 360 day year basis by the Guarantor Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement and agreed with Iccrea Banca. On each Guarantor Payment Date, the Guarantor will pay to the Subordinated Loan Provider, in addition to the Base Interest, the amount of the Premium, if any, payable to such Subordinated Loan Provider on the relevant Guarantor Payment Date in accordance with the applicable Priority of Payments and the terms of the relevant Subordinated Loan Agreement.

Interest and Premium, if any, payable in respect of a Subordinated Loan shall be payable on each Guarantor Payment Date following the Drawdown Date of that Subordinated Loan, subject to the relevant Priority of Payments.

Prior to the delivery of an Issuer Default Notice, each Subordinated Loan shall be repaid on each Guarantor Payment Date subject to the written request of the relevant Subordinated Loan Provider and the Issuer, according to the Pre-Issuer Event of Default Principal Priority of Payments and within the limits of the then Guarantor Available Funds, provided that such repayment does not result in a breach of any of the Tests.

Following the service of an Issuer Default Notice, the Subordinated Loans shall be repaid in accordance with the applicable Priority of Payments within the limits of the Guarantor Available Funds subject to the repayment in full (or, prior to the service of a Guarantor Default Notice, the accumulation of funds sufficient for the purpose of such repayment) of all Covered Bonds.

Governing law

Each Subordinated Loan Agreement is governed by Italian law.

Master Loans Purchase Agreement

On 28 June 2021, Iccrea Banca S.p.A. and the Initial Sellers and, subsequently, upon accession to the Programme, each Seller and the Guarantor entered into the Master Loans Purchase Agreement, pursuant to which, each Seller will assign and transfer to the Guarantor, and the Guarantor will purchase, without recourse (*pro soluto*) from the relevant Seller, an Initial Portfolio and New Portfolios of Eligible Assets and Integration Assets that shall form part of the Cover Pool, in accordance with articles 4 and 7-bis of the Law 130 and article 2 of the Decree 310.

Under the Master Loans Purchase Agreement, upon satisfaction of certain conditions set out therein, the relevant Seller (i) may or shall, as the case may be, assign and transfer, without recourse (*pro soluto*), to the Guarantor and the Guarantor shall purchase, without recourse (*pro soluto*) from the relevant Seller, New Portfolios which shall form part of the Cover Pool held by the Guarantor, if such transfer is required under the terms of the Cover Pool Management Agreement in order to ensure the compliance of the Cover Pool with the Tests or with the 15 per cent threshold limit with respect to Integration Assets provided for by the Decree 310 and the Bank of Italy Regulations; and (ii) may transfer New Portfolios to the Guarantor, and the Guarantor shall purchase from each Seller such New Portfolios, in order to supplement the Cover Pool in connection with the issuance of further Series of Covered Bonds under the Programme in accordance with the Programme Agreement.

In addition to (i) and (ii) above, under the terms and subject to the conditions of the Master Loans Purchase Agreement, prior to the delivery to the Issuer and the Guarantor of an Issuer Default Notice, each Seller may transfer New Portfolios to the Guarantor, which will fund the purchase price thereof through the Principal Available Funds.

The Purchase Price payable for the Initial Portfolio has been determined pursuant to the Master Loans Purchase Agreement. Under the Master Loans Purchase Agreement, the relevant parties thereto have acknowledged that the Purchase Price for the Initial Portfolio shall be funded through the proceeds of the first Subordinated Loan under the relevant Subordinated Loan Agreement. The Purchase Price for each New Portfolio will be equal to the aggregate amount of the Individual Purchase Price of all Receivables comprised in such New Portfolio as at the relevant Transfer Date.

In case the Purchase Price is paid with the Principal Available Funds and, upon the settlement procedure set out above, the Guarantor is required to pay amounts to the Seller in excess of the Purchase Price already paid, such amounts will be deducted from the amounts due to the relevant Seller as repayment of the outstanding Subordinated Loans and, to the extent no such amounts are available, through the proceeds of an appropriate Subordinated Loan to be made available by the relevant Seller as Subordinated Loan Provider pursuant to the relevant Subordinated Loan Agreement.

Each initial Seller has sold to the Guarantor, and the Guarantor has purchased from such Seller, the Receivables comprised in the Initial Portfolio, which meet the Common Criteria and the relevant Specific Criteria (both as described in detail in the section headed "*Description of the Cover Pool*"). Receivables comprised in any New Portfolio to be transferred under the Master Loans Purchase Agreement shall meet, in addition to the Common Criteria, the relevant Specific Criteria. In any case, each transfer of New Portfolios to the Guarantor shall not trigger the breach of the following limits: (i) the aggregate value of the Receivables arising from Commercial Mortgage Loans included in the Cover Pool shall not exceed 20% of the aggregate value of the Cover Pool; (ii) the aggregate value of the Receivables arising from Staff Mortgage Loans included in the Cover Pool shall not exceed 20% of the aggregate value of the Cover Pool; and (iii) the aggregate value of the Receivables arising from Renegotiated Mortgage Loans included in the Cover Pool shall not exceed 20% of the aggregate value of the Cover Pool as at the Valuation Date (excluded).

Pursuant to the Master Loans Purchase Agreement, the relevant Seller will have the right to repurchase individual Receivables (including Defaulted Receivables) transferred to the Guarantor under the Master Loans Purchase Agreement, in accordance with the conditions set out therein.

In case the Guarantor shall dispose of Eligible Assets, the Guarantor, prior to offer to sell such Eligible Assets to third parties, shall offer to sell the Eligible Assets to the same Seller who had previously transferred them to the Guarantor at a price determined pursuant to the Cover Pool Management Agreement. If the relevant Seller does not accept to buy the relevant Eligible Assets, the Guarantor shall offer to sell such Eligible Assets to the Issuer, or, upon instruction of the Issuer, one or more of the other Sellers. In case the Guarantor intends to subsequently transfer such assets for a price lower than the minimum purchase price as determined pursuant to the Cover Pool Management Agreement, the Guarantor shall again offer such assets to the relevant Seller, the Issuer and the other Sellers on the same terms and conditions offered by such third parties before entering into a transfer agreement with the latter.

The transfer of each Portfolio is made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Law 130).

Governing law

The Master Loan Purchase Agreement is governed by Italian law.

Warranty and Indemnity Agreement

Pursuant to the Warranty and Indemnity Agreement entered into between each Seller and the Guarantor, each Seller has given certain representations and warranties in favor of the Guarantor in respect of, *inter alia*, itself,

the Portfolio transferred and to be transferred by it pursuant to the Master Loans Purchase Agreement, the Real Estate Assets over which the relevant Mortgages are established and certain other matters in relation to the issue of the Covered Bonds and has agreed to indemnify the Guarantor in respect of certain liabilities of the Guarantor that may be incurred, *inter alia*, in connection with the purchase and ownership of the relevant Portfolio.

The Warranty and Indemnity Agreement contains representations and warranties given by the relevant Seller as to matters of law and fact affecting the relevant Seller including, without limitation, that the relevant Seller validly exists as a legal entity, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations for such purpose.

The Warranty and Indemnity Agreement sets out certain representations and warranties in respect of the Portfolio to which it relates, including, *inter alia*, that, as of the date of execution of the Warranty and Indemnity Agreement, the Receivables comprised in the Initial Portfolio (i) are valid, in existence and in compliance with the Criteria, and (ii) relate to Mortgage Loan Agreements which have been entered into, executed and performed by the relevant Seller in compliance with all applicable laws, rules and regulations.

Pursuant to the Warranty and Indemnity Agreement, the relevant Seller has agreed to indemnify and hold harmless the Guarantor, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, any representation and warranty given by the Seller under or pursuant to the Warranty and Indemnity Agreement being false, incomplete or incorrect.

Governing law

The Warranty and Indemnity Agreement is governed by Italian law.

Master Servicing Agreement

On 28 June 2021, the Master Servicer, the Servicers, and, subsequently, upon accession to the Programme, each Seller (in its capacity as Servicer) and the Guarantor entered into the Master Servicing Agreement, pursuant to which the Guarantor has appointed Iccrea Banca S.p.A. as Master Servicer of the Receivables and the Initial Sellers as Servicers of the BCC Receivables. Each Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to the Law 130 and will be responsible for the receipt of the Collections acting as agent (*mandatario con obbligo di rendiconto*) of the Guarantor. Each Servicer has been appointed to act as the person in charge of the collection of the relevant Receivables assigned by it to the Guarantor and of the performance of the cash and payment services in relation to such Receivables, pursuant to, and for the purposes of, article 2.3, letter (c) and 2.6-bis of the Law 130 and in accordance with the Covered Bond Regulations, but excluding the activities allocated to the Master Servicer under the Master Servicing Agreement.

Pursuant to the Master Servicing Agreement the Master Servicer will transfer the interest and principal collections with respect to the Receivables credited to the Transitory Collection Account pertaining to each Seller to the Collection Account held with the Account Bank within the immediately following Business Day.

The Master Servicer will not be responsible for the actions undertaken by the Servicers which will be responsible for the fulfilment of the obligations undertaken by them under the Master Servicing Agreement on an individual basis and without joint liability. Iccrea Banca and the Servicers have confirmed, in relation to their undertakings pursuant to the Master Servicing Agreement, their willingness to act as processor

(*responsabile esterno del trattamento dei dati personali*) for the processing of personal data in relation to the Receivables, pursuant to the Data Protection Legislation.

Under the Master Servicing Agreement the Servicers are entitled to delegate, at their own expenses, to third parties the performance of all or part of the administration, collection and recovery activities in relation to the Receivables in accordance with the terms and within the limits provided therein.

The Master Servicer has undertaken to deliver to the Guarantor, the Guarantor Corporate Servicer, the Guarantor Calculation Agent, the Asset Monitor, the Representative of the Covered Bondholders and the Rating Agencies, the Quarterly Master Servicer's Report prepared on the basis of the information contained in the Quarterly Servicer's Reports.

The Master Servicer and the Servicers have represented to the Guarantor that each has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Master Servicing Agreement in relation to the respective responsibilities.

The Guarantor has undertaken to use reasonable endeavors to appoint a back-up servicer within 45 days from the date on which the Master Servicer's long-term rating has been downgraded below the rating levels indicated under the Master Servicing Agreement.

In the event that the long-term unsecured and unsubordinated debt obligations of the Master Servicer falls below the rating levels indicated under the Master Servicing Agreement, (i) the Master Servicer shall immediately communicate such event to the Guarantor, and (ii) the Guarantor and the Representative of the Covered Bondholders shall promptly identify a Back-up Servicer meeting the requirements provided for such appointment.

The Guarantor may terminate the Master Servicer's and each Servicer's appointment and appoint a successor master servicer or servicer if, *inter alia*, the following events occur:

- (i) failure to deposit or pay any amount required to be paid or deposited which failure continues for a period of 15 (fifteen) Business Days following receipt of a written notice from the Guarantor requiring the relevant amount to be paid or deposited;
- (ii) failure to observe or perform duties provided for in the Master Servicing Agreement or any other Transaction Document to which the Master Servicer and/or each Servicer are a party, in case the continuation of such failure for a period of 15 (fifteen) Business Days following receipt of written notice from the Guarantor and that failure is such as to prejudice the existing relationship with the Master Servicer and/or each Servicer;
- (iii) the Master Servicer and/or each Servicer have become insolvent, or an order is made by the competent authorities for its liquidation or the appointment of a liquidator or a resolution is passed by the Master Servicer and/or each Servicer in order to obtain such order or resolution or the Master Servicer and/or each Servicer have been admitted to an Insolvency Proceeding (other than the "*amministrazione straordinaria*"), or a resolution is passed by the Master Servicer and/or each Servicer in order to be admitted to an Insolvency Proceeding (other than the "*amministrazione straordinaria*") or a resolution is adopted by the Master Servicer and/or each Servicer in order to be admitted to the voluntary liquidation procedure;
- (iv) it becomes unlawful for the Master Servicer and/or each Servicer to comply with any of its obligations under the Master Servicing Agreement;

- (v) the Master Servicer and/or each Servicer are or will be unable to meet the current or future legal requirements and the Bank of Italy's Regulations for entities acting as servicers in the context of a covered bonds transaction.

Governing law

The Master Servicing Agreement is governed by Italian law.

Programme Agreement

For a description of the Programme Agreement, see "*Subscription and Sale*".

Intercreditor Agreement

On 15 July 2021, the Guarantor and, upon accession to the Programme, each of the Other Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from Collections in respect of the Cover Pool and as to the circumstances in which the Representative of the Covered Bondholders will be entitled, in the interest of the Covered Bondholders, to exercise certain of the Guarantor's rights in respect of the Cover Pool and the Transaction Documents.

In the Intercreditor Agreement the Other Creditors have agreed, *inter alia*: to the order of priority of payments to be made out of the Guarantor Available Funds; that the obligations owed by the Guarantor to the Covered Bondholders and, in general, to the Other Creditors are limited recourse obligations of the Guarantor; and that the Covered Bondholders and the Other Creditors have a claim against the Guarantor only to the extent of the Guarantor Available Funds.

Under the terms of the Intercreditor Agreement, the Guarantor has undertaken, following the service of a Guarantor Default Notice, to comply with all directions of the Representative of the Covered Bondholders, acting pursuant to the Conditions, in relation to the management and administration of the Cover Pool.

Governing law

The Intercreditor Agreement is governed by Italian law.

Asset Monitor Agreement

On 15 July 2021, the Issuer, the Test Calculation Agent, the Guarantor, the Asset Monitor, the Guarantor Calculation Agent and the Representative of the Covered Bondholders entered into the Asset Monitor Agreement, whereby each of the Issuer and the Guarantor has appointed the Asset Monitor to perform the services set out therein — please see "*The Asset Monitor*" below.

The appointment by the Guarantor will become effective only subject to, and with effect from, the delivery of an Issuer Default Notice, *provided that*, in case the Issuer Event of Default consists of an Article 74 Event, the Asset Monitor will provide the services to the Guarantor up to the date on which the Representative of the Covered Bondholder will have delivered an Article 74 Event Cure Notice.

Pursuant to the Asset Monitor Agreement, the Asset Monitor has agreed to the Issuer and, upon delivery of an Issuer Default Notice, to the Guarantor, to verify, subject to due receipt of the information to be provided by the Test Calculation Agent to the Asset Monitor, the arithmetic accuracy of the calculations performed by the Test Calculation Agent under the Statutory Tests and the Amortisation Test carried out pursuant to the Cover Pool Management Agreement, with a view to confirming whether such calculations are accurate.

In the Asset Monitor Agreement, the Asset Monitor has acknowledged to perform its services also for the benefit and in the interests of the Guarantor (to the extent it will carry out the services under the appointment of the Issuer) and the Covered Bondholders and accepted that upon delivery of an Issuer Default Notice, it will

receive instructions from, provide its services to, and be liable *vis-à-vis* the Guarantor or the Representative of the Covered Bondholders on its behalf.

In addition, on or prior to each relevant date as set out in the Asset Monitor Agreement, the Asset Monitor has undertaken to deliver to the Issuer, the Guarantor, the Test Calculation Agent, the Guarantor Calculation Agent, the Master Servicer and the Representative of the Covered Bondholders the Asset Monitor Report.

The Issuer or the Guarantor (as the case may be) may, until the occurrence of an Issuer Event of Default without any prior approval of the Representative of the Covered Bondholders and following the occurrence of an Issuer Event of Default with the prior approval of the Representative of the Covered Bondholders, revoke the appointment of the Asset Monitor, in either case by giving not less than 3 (three) months' (or earlier, in the event of a breach of warranties and covenants) written notice to the Asset Monitor (with a copy to the Issuer or the Guarantor (as the case may be), the Representative of the Covered Bondholders and the Test Calculation Agent). The Asset Monitor may resign from its appointment under the Asset Monitor Agreement, upon giving not less than 3 (three) months' (or such shorter period as the Representative of the Covered Bondholders may agree) prior written notice of termination to the Issuer, the Guarantor and the Representative of the Covered Bondholders subject to and conditional upon certain conditions set out in the Asset Monitor Agreement.

Governing law

The Asset Monitor Agreement is governed by Italian law.

Cash Allocation, Management and Payments Agreement

On 15 July 2021, the Guarantor, the Issuer, the Sellers, each upon accession to the Programme, the Servicers, the Master Servicer, the Account Bank, any Swap Collateral Account Bank upon accession to the Programme, the Test Calculation Agent, the Guarantor Calculation Agent, the Principal Paying Agent, the Guarantor Corporate Servicer, the Operating Bank and the Representative of the Covered Bondholders entered into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

- (i) the Operating Bank has agreed to establish and maintain, in the name and on behalf of the Guarantor, the Transitory Collection Accounts, the Expenses Account and the Quota Capital Account and to provide the Guarantor with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of such Accounts;
- (ii) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Guarantor, the Collection Account, the Payments Account, the Investment Account, the Securities Account (if any) and the Cash Reserve Account and to provide the Guarantor with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of such accounts;
- (iii) the Principal Paying Agent has agreed to provide the Guarantor (and, prior to the delivery of an Issuer Default Notice, the Issuer) with certain payment services together with certain calculation services pursuant to the terms of the Cash Allocation, Management and Payments Agreement;
- (iv) the Guarantor Calculation Agent has agreed to provide the Guarantor with calculation services; and
- (v) the Test Calculation Agent has agreed to provide the Guarantor with calculation services in relation to the Tests.

The Account Bank shall comply with any instruction of the Guarantor Calculation Agent to invest, on behalf of the Guarantor, amounts standing to the credit of the Investment Account in Eligible Investments, as from time

to time selected by the Guarantor Calculation Agent upon instructions of the Issuer (or, following an Issuer Event of Default, upon instructions of the Representative of the Covered Bondholders) in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Guarantor may (with the prior approval of the Representative of the Covered Bondholders and the Rating Agencies have been notified in advance) revoke the appointment of any Agent by giving not less than 3 (three) months' (or earlier, in the event of a breach of warranties and covenants by the relevant Agent) written notice to the relevant Agent (with a copy to the Representative of the Covered Bondholders), regardless of whether an Issuer Event of Default or a Guarantor Event of Default has occurred. Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than 3 (three) months' (or such shorter period as the Representative of the Covered Bondholders may agree) prior written notice of termination to the Issuer, the Guarantor and the Representative of the Covered Bondholders subject to and conditional upon certain conditions set out in the Cash Allocation, Management and Payments Agreement.

Governing law

The Cash Allocation, Management and Payments Agreement is governed by Italian law.

Cover Pool Management Agreement

On 15 July 2021, the Issuer, the Guarantor, the Asset Monitor, the Test Calculation Agent, each Seller upon accession to the Programme, and the Representative of the Covered Bondholders entered into the Cover Pool Management Agreement, pursuant to which they have agreed certain terms regulating, *inter alia*, the performance of the Tests with respect to the Cover Pool and the purchase and sale by the Guarantor of assets included in the Cover Pool.

Under the Cover Pool Management Agreement, starting from the Issue Date of the first Series of Covered Bonds and until the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms, each Seller (and failing the Seller to do so, the other Seller(s) and, failing the other Seller(s), the Issuer) has undertaken to procure that on any Test Calculation Date each of the Statutory Tests is met with respect to the Cover Pool. In addition, on each Test Calculation Date following the occurrence of an Issuer Event of Default and service of an Issuer Default Notice (but prior to service of a Guarantor Default Notice) the Test Calculation Agent shall verify that the Amortisation Test is met with respect to the Cover Pool.

The Test Calculation Agent has agreed to prepare and deliver to the Issuer, the Sellers, the Guarantor, the Representative of the Covered Bondholders, the Rating Agencies and the Asset Monitor a report setting out the calculations carried out by it with respect of the Statutory Tests, the Amortisation Test and other information such as, *inter alia*, the Integration Assets Limits (the "**Test Performance Report**"). Such Test Performance Report shall specify the amount of Integration Assets in relation to each Seller, the occurrence of a breach of the Statutory Tests and/or of the Amortisation Test and the qualitative and quantitative aspects of the shortfall in the Cover Pool that caused the relevant Test to be breached.

If the Test Calculation Agent notifies the breach of any Test, during the Test Grace Period, the Guarantor will purchase Eligible Assets and/or Integration Assets, to be transferred by (a) the relevant Seller(s); and/or (b), the other Sellers; or (c) upon the occurrence of the circumstances set out below, the Issuer, in an aggregate amount sufficient to ensure, also taking into account the information provided by the Test Calculation Agent in the Test Performance Report notifying the relevant breach, that as of the Test Calculation Date falling at the end of the Test Grace Period, all Tests are satisfied with respect to the Cover Pool.

Each Seller, jointly and severally, has undertaken to transfer and sell Eligible Assets and/or Integration Assets to the Guarantor, in the aggregate amount sufficient to ensure that, as of the Test Calculation Date falling at the end of the Test Grace Period, all Tests are satisfied with respect to the Cover Pool. The Issuer will identify the relevant Seller or the other Sellers which shall transfer Eligible Assets and/or Integration Assets to the Guarantor.

To the extent that, within 20 (twenty) Business Days from the Guarantor Calculation Date in which the breach of the Tests has occurred, the Guarantor has not received a contractual proposal by the relevant Seller and/or the other Sellers in respect of such Eligible Assets and/or Integration Assets to be transferred, the Issuer has undertaken to transfer Eligible Assets and/or Integration Assets to the Guarantor, in the aggregate amount sufficient to ensure that, as of the Test Calculation Date falling at the end of the Test Grace Period, all Tests are satisfied with respect to the Cover Pool.

The parties to the Cover Pool Management Agreement have acknowledged that, at any time prior to the delivery of an Issuer Default Notice, the aggregate amount of Integration Assets included in the Cover Pool may not exceed 15 per cent. of the aggregate Outstanding Principal Balance of the Cover Pool, pursuant to the combined provisions of Decree 310 and the Bank of Italy Regulations.

For the purpose of allowing the Guarantor to fund the purchases referred to above:

- (a) each relevant Seller and the other Sellers, in their capacity as Subordinated Loan Provider, have undertaken to advance to the Guarantor a Subordinated Loan in accordance with the relevant Subordinated Loan Agreement in an amount equal to the purchase price to be paid by the Guarantor for the Eligible Assets and/or Integration Assets to be transferred by such relevant Seller or other Seller, also acknowledging that the Total Commitment set out from time to time under the relevant Subordinated Loan Agreement shall not be a limitation with respect to the Relevant Seller's or other Seller's obligation to advance the Subordinated Loans to the Guarantor in order to fund the purchase price for the relevant Eligible Assets and Integration Assets; and
- (b) the Issuer has undertaken to advance a subordinated loan to the Guarantor on substantially the same terms as provided for under the Subordinated Loan Agreements in an amount equal to the purchase price to be paid by the Guarantor for the Eligible Assets and/or Integration Assets to be transferred by the Issuer.

If, within the Test Grace Period, the relevant breach of the Tests is not remedied in accordance with the terms of the Cover Pool Management Agreement, the Representative of the Covered Bondholders will deliver:

- 1. an Issuer Default Notice to the Issuer and the Guarantor; or
- 2. a Guarantor Default Notice, if an Issuer Default Notice has already been served (*provided that*, should such Issuer Default Notice consist of an Article 74 Event, it has not served an Article 74 Event Cure Notice).

Upon receipt of an Issuer Default Notice or a Guarantor Default Notice, the Guarantor shall dispose of the assets included in the Cover Pool.

After the service of an Issuer Default Notice on the Issuer and the Guarantor, but prior to service of a Guarantor Default Notice, the Guarantor may sell, refinance or otherwise liquidate the Eligible Assets and Integration Assets included in the Cover Pool as long as the sale does not cause a breach of the Amortisation Test, subject to the rights of pre-emption in favour of (i) the Seller who had previously transferred such Eligible Assets and, if applicable, Integration Assets to the Guarantor, (ii) one or more different Sellers selected by the Substitute Servicer of the Master Servicer (if any), in consultation with the Issuer, and (iii) the Issuer (other than in case of

the Issuer Event of Default consists of an Insolvency Event occurring with respect to the Issuer), in accordance with the Master Loans Purchase Agreement, *provided that*, in case the Issuer Event of Default consists of an Article 74 Event, such provisions will only apply for as long as the Representative of the Covered Bondholders will have delivered an Article 74 Event Cure Notice.

The Eligible Assets to be sold or liquidated will be selected from the Cover Pool by the Master Servicer on behalf of the Guarantor (any such Eligible Assets, together with any relevant Integration Assets, the "**Selected Assets**") and the proceeds from any sale of Selected Assets will be (i) credited to the Cash Reserve Account and applied as part of the Guarantor Available Funds in accordance with the applicable Priority of Payments; or (ii) after the occurrence of the event indicated under letter (a) of the definition of the Issuer Event of Default, applied to redeem the Covered Bonds which payment has been deferred until the Extended Maturity Date, pursuant to item (v)(*Fifth*) of the Guarantee Priority of Payments. The Selected Assets shall be selected on a random basis and so to ensure that the Amortisation Test will be satisfied both prior to and following the sale or liquidation of the relevant Selected Assets and repayment of the Earliest Maturing Covered Bonds.

Before offering Selected Assets for sale or liquidating them, the Guarantor shall ensure that the Selected Assets have an aggregate Outstanding Principal Balance in an amount which is as close as possible to:

1. the Outstanding Principal Amount in respect of the Earliest Maturing Covered Bonds; *minus*
2. principal amounts standing to the credit of the Collection Account;

excluding, with respect to item 2 above, all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the applicable Priority of Payments (the "**Required Outstanding Principal Balance**").

The Guarantor will offer the Selected Assets for sale or liquidate them for the best price or proceeds reasonably available but in any event for an amount not less than the Required Outstanding Principal Balance (the "**Required Outstanding Principal Balance Amount**").

If the Selected Assets have not been sold or otherwise liquidated in an amount equal to the Required Outstanding Principal Balance Amount by the date which is six months prior to, as applicable, the Maturity Date (if the relevant Series of Covered Bonds is not subject to an Extended Maturity Date) or the Extended Maturity Date (if the relevant Series of Covered Bonds is subject to an Extended Maturity Date) of the Earliest Maturing Covered Bonds, and the Guarantor does not have sufficient other funds standing to the credit of the Accounts available to repay the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), then the Guarantor will offer the Selected Assets or part thereof for sale or liquidate them for the best price reasonably available notwithstanding that such price may be less than the Required Outstanding Principal Balance Amount and provided that the Guarantor will sell or liquidate further Selected Assets as are necessary to generate proceeds at least equal to the Required Outstanding Principal Balance Amount.

With respect to any sale or liquidation to be carried out, the Guarantor shall instruct the Portfolio Manager (as defined below) — to the extent possible taking into account the time left before the Maturity Date or Extended Maturity Date (if applicable) of the Earliest Maturing Covered Bonds — to sell or liquidate any Integration Assets included in the Selected Assets before any Eligible Assets are sold in accordance herewith.

The Guarantor may offer for sale or otherwise liquidate part of any portfolio of Selected Assets (a "**Partial Portfolio**"). Except in certain circumstances described in the Cover Pool Management Agreement, the sale price or liquidation proceeds of the Partial Portfolio (as a proportion of the Required Outstanding Principal

Balance Amount) shall be at least equal to the proportion that the Partial Portfolio bears to the relevant portfolio of Selected Assets.

Upon the occurrence of an Issuer Event of Default, the Guarantor will through a tender process (to be carried out by the Guarantor Corporate Servicer on behalf of the Guarantor, provided however that the Guarantor Corporate Servicer shall never be responsible against any person whatsoever for the tender process and selection of the portfolio manager) appoint a portfolio manager (the "**Portfolio Manager**") of recognised standing on a basis intended to incentivise the Portfolio Manager to achieve the best proceeds for the sale or liquidation of the Selected Assets (if such terms are commercially available in the market) and to advise it in relation to the sale to purchasers (except where a Seller is buying the Selected Assets in accordance with its right of pre-emption under the Master Loans Purchase Agreement) or liquidation of the Selected Assets. The terms of the agreement giving effect to the appointment in accordance with such tender, as well as the terms and conditions of the sale of the Selected Assets, shall be approved by the Representative of the Covered Bondholders (which may, but will never be obliged to, seek instructions from the Covered Bondholders to this end, in accordance with the Transaction Documents and the Rules of the Organisation of the Covered Bondholders).

Following the delivery of an Issuer Default Notice consisting of an Article 74 Event, the obligation of the Guarantor to sell or liquidate Selected Assets, as described above, shall cease to apply starting from the date on which the Representative of the Covered Bondholders delivers to the Issuer, the Sellers, the Guarantor and the Asset Monitor an Article 74 Event Cure Notice in accordance with the provisions of the Covered Bond Guarantee.

Following the delivery by the Representative of the Covered Bondholders of a Guarantor Default Notice, the Guarantor shall immediately sell or liquidate all assets included in the Cover Pool in accordance with the procedures described above and the proceeds thereof will be applied as Guarantor Available Funds, *provided that* the Guarantor (or, in the absence, the Representative of the Covered Bondholders) will instruct the Portfolio Manager to use all reasonable endeavors to procure that such sale or liquidation is carried out as quickly as reasonably practicable taking into account the market conditions at that time.

Governing law

The Cover Pool Management Agreement is governed by Italian law.

The Swap Agreements

Liability Swap Agreements

The Guarantor may enter into one or more Liability Swap Agreements on or about each Issue Date of a Series of Covered Bonds with one or more Liability Swap Providers to hedge certain interest rate, currency and other risks in respect of amounts payable by the Guarantor in respect of the Series of Covered Bonds issued on that Issue Date. The aggregate notional amount of the Liability Swap Agreements entered into on each Issue Date shall be linked to the Outstanding Principal Amount of the relevant Series of Covered Bonds.

Under the Liability Swap Agreements, on each Guarantor Payment Date following the delivery of an Issuer Default Notice, it is expected that the Guarantor will pay to the Liability Swap Provider an amount calculated by reference to the notional amount of the relevant Series of Covered Bonds multiplied by either a fixed rate or a floating rate, possibly increased by a margin. In return, it is anticipated that the Liability Swap Provider(s) will pay to the Guarantor, on the payment dates elected in the relevant confirmation, under the relevant Liability Swap Agreement, an amount calculated by reference to the notional amount multiplied by a rate linked to the interest rate applicable to the relevant Series of Covered Bonds.

It is intended that each Liability Swap Agreement would terminate on the date corresponding to the Maturity Date of the Covered Bonds of the relevant Series and may or may not take account of any extension of the Maturity Date under the terms of such Series of Covered Bonds as specified in the relevant Liability Swap Agreement.

Asset Swap Agreements

Some of the Mortgage Loans in the portfolio purchased by the Guarantor from each Seller from time to time will pay a variable rate of interest and other Mortgage Loans will pay a fixed rate of interest. The Guarantor may enter into an Asset Swap Agreement to mitigate variations between the rate of interest payable on the Mortgage Loans in the Cover Pool and the relevant benchmark rate and to ensure sufficient funding of the payment obligations of the Guarantor.

Rating Downgrade Event

Under the terms of each Swap Agreement, in the event that the rating(s) of a Swap Provider or its credit support provider are downgraded by a Rating Agency below the rating(s) specified in the relevant Swap Agreement (in accordance with the criteria of the Rating Agencies), then such Swap Provider will, in accordance with the relevant Swap Agreement, be required to take certain remedial measures which may include:

- (a) providing collateral for its obligations under the Swap Agreement, or
- (b) arranging for its obligations under the relevant Swap Agreement to be transferred to an entity with the ratings required by the relevant Rating Agency in order to maintain the rating of the Covered Bonds, or
- (c) procuring another entity, with the ratings meeting the relevant Rating Agency's criteria in order to maintain the rating of the Covered Bonds, to become a guarantor in respect of such Swap Provider's obligations under the Swap Agreement.

A failure by the relevant Swap Provider to take such steps within the time periods specified in the Swap Agreement may allow the Guarantor to terminate the relevant Swap Agreement(s).

Any Swap Provider that does not have the adequate rating on the day of entry into a Swap Agreement shall have its obligations to the Guarantor under the relevant Swap Agreement guaranteed by an appropriately rated entity.

Swap Agreement Credit Support Document

Each Swap Agreement will be supplemented and complemented by a credit support document in the form of the ISDA 1995 Credit Support Annex (Transfer English Law) to the ISDA Master Agreement (a "**Credit Support Annex**"). The Credit Support Annex will provide that the relevant Swap Provider, if required to do so following its downgrade or the downgrade of its credit support provider and subject to the conditions specified in such Credit Support Annex, will transfer collateral ("**Swap Collateral**"), and the Guarantor will be obliged to return equivalent collateral in accordance with the terms of the Swap Agreement.

Cash and securities (and all income in respect thereof) transferred as collateral will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the relevant Swap Provider in accordance with the terms and within the limits of the Swap Agreement.

Any Swap Collateral will be returned by the Guarantor to the relevant Swap Provider directly in accordance with the terms of the Swap Agreement Credit Support Document and not under the Priorities of Payments.

Governing law

The Swap Agreements and any non-contractual obligations arising out of or in connection therewith are governed by English Law.

Mandate Agreement

On 15 July 2021, the Guarantor and the Representative of the Covered Bondholders entered into a mandate agreement (the "**Mandate Agreement**"), pursuant to which the Representative of the Covered Bondholders shall be authorised, subject to a Guarantor Default Notice being delivered to the Guarantor or upon failure by the Guarantor to exercise its rights under the Transaction Documents and, subject to certain conditions, to exercise, in the name and on behalf of the Guarantor, in the interest of the Covered Bondholders and for the benefit of the Other Creditors all the Guarantor's right with reference to certain Transaction Documents.

Governing law

The Mandate Agreement is governed by Italian law.

Deed of Pledge

On 15 July 2021, the Guarantor, the Representative of the Covered Bondholders and the Other Creditors entered into the Deed of Pledge under which, without prejudice and in addition to any security, guarantee and other right provided by the Law 130 and the Deed of Charge securing the discharge of the Guarantor's obligations to the Covered Bondholders and the Other Creditors, the Guarantor has pledged in favour of the Covered Bondholders and the Other Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Guarantor is or will be entitled to from time to time pursuant to certain Transaction Documents, with the exclusion of the Cover Pool and the Collections. The security created pursuant to the Deed of Pledge will become enforceable upon the service of a Guarantor Default Notice.

Governing law

The Deed of Pledge is governed by Italian law.

Deed of Charge

The Guarantor has entered into the Deed of Charge with the Representative of the Covered Bondholders. Pursuant to the Deed of Charge, without prejudice and in addition to any security, guarantees and other rights provided for in the Law 130 securing the discharge of the Guarantor's obligations to the Covered Bondholders and the Other Creditors, the Guarantor will charge and assign in favour of the Representative of the Covered Bondholders as trustee for the Covered Bondholders and the Other Creditors all right, title, benefit and interest in or to the Back-Up Accounts, the Back-Up Account Bank Agreement and the Custody Agreement. The security created by the Deed of Charge will become enforceable upon the service of a Guarantor Default Notice.

Governing law

The Deed of Charge is governed by English law.

Corporate Services Agreement

The Guarantor Corporate Servicer and the Guarantor have entered into a corporate services agreement with the Guarantor Corporate Servicer on 15 July 2021 (the "**Corporate Services Agreement**"), pursuant to which the Guarantor Corporate Servicer has agreed to provide certain corporate and administrative services to the Guarantor.

Governing law

The Corporate Services Agreement is governed by Italian law.

Quotaholders' Agreement

For a description of the Quotaholders' Agreement, see "*The Guarantor*".

CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unconditional obligations of the Issuer. The Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Representative of the Covered Bondholders of an Issuer Default Notice on the Issuer and on the Guarantor or, if earlier, following the occurrence of a Guarantor Event of Default, service by the Representative of the Covered Bondholders of a Guarantor Default Notice on the Guarantor.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

- the Covered Bond Guarantee provides credit support to the Issuer;
- the Statutory Tests are periodically performed with the intention of ensuring that the Cover Pool is at all times sufficient to repay the Covered Bonds;
- the Amortisation Test is periodically performed, following the occurrence of an Issuer Event of Default and service of an Issuer Default Notice on the Issuer and the Guarantor, for the purpose of testing the asset coverage of the Guarantor's assets in respect of the Covered Bonds;
- the Cash Reserve Account will be established which will build up over time using excess cash flow from Interest Available Funds and Principal Available Funds, in order to ensure that the Guarantor will have sufficient funds set aside to fulfil its obligation to pay interest accruing with respect to the Covered Bonds or the Swap Agreements; and
- the swap agreements that may be entered into in order to hedge certain interest rate, currency or other risks, in respect of amounts received and amounts payable by the Guarantor.

Certain of these factors are considered more fully in the remainder of this section.

Guarantee

The Covered Bond Guarantee provided by the Guarantor guarantees payment of Guaranteed Amounts when they become due for payment in respect of all Covered Bonds issued under the Programme.

See "*Overview of the Transaction Documents — Covered Bond Guarantee*" above, as regards the terms of the Covered Bond Guarantee. See "*Cashflows — Guarantee Priority of Payments*" further, as regards the payment of amounts payable by the Guarantor to Covered Bondholders and the Other Issuer's Creditors following the occurrence of an Issuer Event of Default.

Compliance with the Tests

Under the terms of the Cover Pool Management Agreement, each Seller (and failing which, the other Seller(s), failing which, the Issuer) must ensure that, on each Test Calculation Date, the Cover Pool is in compliance with the Tests described below. If on any Test Calculation Date the Cover Pool is not in compliance with the Tests, then the Sellers (and failing which, the other Seller(s), failing which, the Issuer) will sell Eligible Assets or Integration Assets to the Guarantor for an amount sufficient to allow the Tests to be met on the next following Test Calculation Date, in accordance with the Master Loans Purchase Agreement and the Cover Pool Management Agreement, to be financed through the proceeds of Subordinated Loans to be granted by the Relevant Seller(s), and/or the Issuer and/or the other Seller(s) (each only in respect of the Eligible Assets and/or Integration Assets transferred by it — see "*The Cover Pool Management Agreement*").

Statutory Tests

The Statutory Tests are intended to ensure that the Guarantor can meet its obligations under the Covered Bond Guarantee. In order to ensure that the statutory tests provided for under Article 3 of Decree 310 (the "**Statutory Tests**") are satisfied and that the Cover Pool is at all times sufficient to repay the Covered Bonds, each Seller (and failing the Seller to do so, the Other Sellers, and failing the Other Sellers, the Issuer) must procure that the three tests set out below are satisfied on each Test Calculation Date.

Nominal Value Test

The Test Calculation Agent shall verify that, on each Test Calculation Date, the aggregate Outstanding Principal Balance of the Cover Pool shall be higher than or equal to the Outstanding Principal Amount of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the relevant Test Calculation Date by applying the following formula:

$$A * (AP) + B + C \geq D$$

where,

"D" stands for the Outstanding Principal Amount of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the end of the immediately preceding Collection Period.

For the purpose of the above, the Test Calculation Agent shall consider the Outstanding Principal Balance of the Cover Pool as an amount equal to the "**Nominal Value**", which will be calculated on each Test Calculation Date, by applying the following formula:

$$A * (AP) + B + C$$

where,

"A" stands for the "**Adjusted Outstanding Principal Balance**" of each Mortgage Loan in the Cover Pool as at the end of the immediately preceding Collection Period, defined as the lower of:

- (i) the actual Outstanding Principal Balance of the relevant Mortgage Loan as calculated; and
- (ii) the Latest Valuation relating to that Mortgage Loan multiplied by **M**,

where

- (i) for all Residential Mortgage Loans that are not Defaulted Loans, $M = 0.80$;
- (ii) for all Commercial Mortgage Loans that are not Defaulted Loans, $M = 0.60$; and
- (iii) for all Mortgage Loans that are (a) Defaulted Loans or (b) Delinquent Loans in relation to which there are one or more Delinquent Receivables having at least one Instalment due and unpaid for more than 90 days, $M = 0$;

minus

the aggregate sum of the following deemed reductions to the aggregate Adjusted Outstanding Principal Balance of the Mortgage Loans in the Cover Pool, if any of the following occurred during the previous Calculation Period:

- (1) a Mortgage Loan (or any security granted in relation thereto, the "Related Security") was, in the immediately preceding Calculation Period, in breach of the representations and warranties contained in the Warranty and Indemnity Agreement or was subject to any other obligation of the relevant Seller to repurchase the relevant Mortgage Loan and its Related Security, and in each case the relevant Seller has not repurchased the Mortgage Loan or Mortgage Loans of the relevant Debtor to the extent required by

the terms of the Master Loans Purchase Agreement (each such loan being an "**Affected Loan**"). In this event, the aggregate Adjusted Outstanding Principal Balance of the Mortgage Loans in the Cover Pool (as calculated at the end of the immediately preceding Collection Period) will be deemed to be reduced by an amount equal to the Adjusted Outstanding Principal Balance of the relevant Affected Loan or Affected Loans (as calculated at the end of the immediately preceding Collection Period); and/or

- (2) the Issuer or any other Seller, in the preceding Collection Period, was in breach of any other material warranty under the Master Loans Purchase Agreement and/or the Master Servicer or any Servicer was, in the preceding Calculation Period, in breach of a material term of the Master Servicing Agreement. In this event, the aggregate Adjusted Outstanding Principal Balance of the Mortgage Loans in the Cover Pool (as calculated at the end of the immediately preceding Collection Period) will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Guarantor or on its behalf without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Issuer, the relevant Seller and/or the Master Servicer or any Servicer to indemnify the Guarantor for such financial loss);

multiplied by the AP;

“**B**” stands for the principal amount standing to the credit of the Investment Account, the principal amounts standing to the credit of the Transitory Collection Accounts and the principal amounts of any Eligible Assets and Integration Assets qualifying as Eligible Investments and all amounts under item (vii)(Seventh) of the Pre-Issuer Event of Default Principal Priority of Payments;

“**C**” stands for the aggregate Outstanding Principal Balance of any Eligible Assets other than Mortgage Loans;

Asset Percentage

- (a) “**AP**” stands for the "**Asset Percentage**" which means the lower of (i) 93 per cent; (ii) such other percentage figure as may be determined by the Issuer in accordance with the methodologies published by the Rating Agencies; and (iii) such other percentage figure as might be set out in the Italian legislative provision that shall be enacted in order to implement the Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision regulation. Such new figure of the Asset Percentage shall be set out in the Investors Report and shall thus form part of the calculation of the Nominal Value Test.
- (b) Notwithstanding (a) above, in the event the Issuer chooses not to apply such other percentage figure (item (ii) above) of the Asset Percentage, this will not result in a breach of the Nominal Value Test.

Net Present Value Test

The Test Calculation Agent shall verify on each Test Calculation Date that the Net Present Value Test is met with respect to the Cover Pool. The Net Present Value Test will be considered met if, on the relevant Test Calculation Date, the Net Present Value of the Cover Pool, net of the transaction costs to be borne by the Guarantor (including the payments of any nature expected to be borne or due with respect to any Swap Agreement, if applicable) shall be higher than or equal to the net present value of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the relevant Test Calculation Date. The Net Present Value Test will be calculated by applying the following formula:

$$A+B-C \geq D$$

where,

"D" stands for the net present value of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the end of the immediately preceding Collection Period.

The "Net Present Value" is an amount equal to:

$$A + B - C$$

where:

"A" stands for the net present value of (i) all Eligible Assets and Integration Assets comprised in the Cover Pool; and (ii) all principal amounts collected in respect of the Cover Pool and credited to the Collection Account as at the end of the immediately preceding Collection Period;

"B" stands for the net present value of each Asset Swap Agreement and Liability Swap Agreement, if any; and

"C" stands for the net present value of all payments to be made by the Guarantor pursuant to items from (i)(First) to (iv)(Fourth) of the Pre-Issuer Event of Default Interest Priority of Payments.

Interest Coverage Test

The Issuer and the Sellers must ensure that on each Test Calculation Date the amount of interest and other revenues generated by the assets included in the Cover Pool, net of the costs borne by the Guarantor (including the payments of any nature expected to be borne or due with respect to any Swap Agreement, if any), shall be higher than the amount of interest due on all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the relevant Test Calculation Date, taking into account the Swap Agreements entered into in connection with the Programme, if any.

The Interest Coverage Test will be considered met if, on the relevant Test Calculation Date, the Expected Revenue Income (as defined below) is in an amount equal to or greater than the Expected Revenue Liability (as defined below), both as calculated on the relevant Test Calculation Date.

The "Expected Revenue Income" will be an amount calculated on each Test Calculation Date by applying the following formula:

$$A+B+C+D$$

where,

"A" stands for the aggregate interest amount standing to the credit of the Collection Account (including interests accrued on the balance standing to the credit of such Account) and the interest amount standing to the credit of the Transitory Collection Accounts (including interest accrued on the balance standing to the credit of such Account) as at the end of the immediately preceding Collection Period;

"B" stands for any payments that the Guarantor is expected to receive under any Swap Agreement from the end of the immediately preceding Collection Period Date to the date falling 12 months thereafter;

"C" stands for the interest component of all the Instalments – relating to the Eligible Assets and Integration Assets comprised in the Cover Pool – falling due from the end of the preceding Collection Period to the date falling 12 months thereafter (such interest payments to be calculated with respect to the interest rate as of the end of the preceding Collection Period); and

"D" stands for any amount in respect of interest expected to be received from the Eligible Investments existing as of such date.

The "**Expected Revenue Liability**" will be an amount calculated on each Test Calculation Date by applying the following formula:

$$E+F+G$$

where,

"E" stands for the aggregate amount of all interest payments due under all outstanding Series of Covered Bonds on the Interest Payment Dates falling in the period starting from the end of the immediately preceding Collection Period to the date falling 12 months thereafter);

"F" stands for any Senior Liabilities expected to be borne by the Guarantor during the period starting from the end of the immediately preceding Collection Period and ending on the date falling 12 months thereafter; and

"G" stands for any payments expected to be borne or due by the Guarantor under any Swap Agreement from the end of the immediately preceding Collection Period to the date falling 12 months thereafter);

The Interest Coverage Test will:

- (i) **be met if $A+B+C+D \geq E+F+G$; or**
- (ii) **not be met if $A+B+C+D < E+F+G$.**

Amortisation Test

The Amortisation Test is intended to ensure that, following an Issuer Event of Default and the service of an Issuer Default Notice on the Issuer and on the Guarantor (but prior to service on the Guarantor of a Guarantor Default Notice), the Cover Pool contains sufficient assets to enable the Guarantor to meet its obligations under the Covered Bond Guarantee. The Amortisation Test will be considered met if the Amortisation Test Aggregate Loan Amount is an amount at least equal to the Outstanding Principal Amount of the issued Covered Bonds as calculated by applying the following formula on the relevant Test Calculation Date:

$$A+B+C \geq D$$

where,

"D" stands for Outstanding Principal Amount of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms as at the end of the immediately preceding Collection Period.

If the Amortisation Test Aggregate Loan Amount is less than the Outstanding Principal Amount of the issued Covered Bonds, then the Amortisation Test will be deemed to be breached and if such breach is not remedied by the Relevant Seller(s) (or failing which, the other Seller(s) or, failing the other Seller(s), the Issuer) by the immediately following Test Calculation Date, a Guarantor Default Notice will be served by the Representative of the Covered Bondholders on the Guarantor causing the acceleration of the Covered Bonds and a demand for enforcement of the Covered Bond Guarantee. The Test Calculation Agent, whilst Covered Bonds are outstanding, will immediately notify the Representative of the Covered Bondholders of any breach of the Amortisation Test. Following a Guarantor Default Notice, the Guarantor will be required to make payments in accordance with the Post-Enforcement Priority of Payments.

The "**Amortisation Test Aggregate Loan Amount**" will be calculated on each Test Calculation Date as follows:

$$A + B + C$$

where,

"A" stands for the aggregate "**Amortisation Test Outstanding Principal Balance**" of each Mortgage Loan, which shall be the lower of:

- (i) the actual Outstanding Principal Balance of the relevant Mortgage Loan as calculated as at the end of the immediately preceding Collection Period; and
- (ii) the Latest Valuation relating to that Mortgage Loan multiplied by M,

where

- (a) for all Residential Mortgage Loans that are not Defaulted Loans, $M = 0.80$;
- (b) for all Commercial Mortgage Loans that are not Defaulted Loans, $M = 0.60$; and
- (c) for all Mortgage Loans that are (a) Defaulted Loans or (b) Delinquent Loans in relation to which there are one or more Delinquent Receivables having at least one Instalment due and unpaid for more than 90 days, $M = 0$;

"B" stands for the aggregate amount standing to the credit of the Collection Account, the aggregate amount standing to the credit of the Investment Account, the aggregate amount standing to the credit of the Transitory Collection Accounts, the aggregate amount standing to the credit of the Cash Reserve Account (if any) and the aggregate amount of any Eligible Assets and Integration Assets qualifying as Eligible Investments.

"C" stands for the aggregate Outstanding Principal Balance of any Eligible Assets other than Mortgage Loans.

Cash Reserve Account

The Cash Reserve Account is held in the name of the Guarantor for the purpose of setting aside, on each Guarantor Payment Date, the Cash Reserve Amount. Such Cash Reserve Amount will be (a) an amount, determined on or prior to each Guarantor Calculation Date, sufficient to ensure that the Guarantor would have sufficient funds set aside and readily available to pay in the immediately following six months starting from the relevant Guarantor Payment Date (i) interest amounts due in relation to all outstanding series of Covered Bonds, plus (ii) all costs and expenses ranking under items (i) to (iii) of the Pre-Issuer Event of Default Interest Priority of Payments; or (b) any other higher amount that may be required by the relevant implementing provisions of EU Directive on Covered Bonds and communicated by the Issuer to the Guarantor Calculation Agent before each relevant Guarantor Calculation Date. The required Cash Reserve Amount will be credited by the Guarantor to the Cash Reserve Accounts on each Guarantor Payment Date in accordance with the Pre-Issuer Event of Default Interest Priority of Payments and the Pre-Issuer Event of Default Principal Priority of Payments.

Set-Off Risk and Commingling Risk

Pursuant to the Cover Pool Management Agreement, the Issuer has undertaken, upon occurrence of an Issuer Downgrading Event, to notify on a quarterly basis the Rating Agencies of each of (i) the Potential Set-Off Amount, and (ii) the Commingling Amount.

CASHFLOWS

As described above under "*Credit Structure*", until an Issuer Default Notice is served on the Issuer and the Guarantor, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor.

This section summarises the cashflows of the Guarantor only, as to the allocation and distribution of amounts standing to the credit of the Accounts and their order of priority (all such orders of priority, the "**Priority of Payments**") (a) prior to an Issuer Event of Default and a Guarantor Event of Default, (b) following an Issuer Event of Default (but prior to a Guarantor Event of Default) and (c) following a Guarantor Event of Default.

Definitions

For the purposes hereof:

"Interest Available Funds" means, in respect of any Guarantor Calculation Date, the aggregate of:

- (a) interest collected by the Master Servicer or the Servicers in respect of the Cover Pool and credited into the Collection Account, during the immediately preceding Collection Period;
- (b) all recoveries in the nature of interest received by the Master Servicer or the Servicers and credited to the Collection Account, during the immediately preceding Collection Period;
- (c) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;
- (d) any payment received on or immediately prior to such Guarantor Payment Date from any Swap Provider, if any, other than any Swap Collateral Excluded Amounts;
- (e) all interest amounts received from any Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (f) the Cash Reserve Amount standing to the credit of the Cash Reserve Account;
- (g) all amounts on account of interest, premium or other profit deriving from the Eligible Investments up to the Eligible Investments Maturity Date immediately preceding the relevant Guarantor Payment Date; and
- (h) any amount (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Transaction Documents.

"Principal Available Funds" means in respect of any Guarantor Calculation Date, the aggregate of:

- (a) all principal amounts collected by the Master Servicer or any Servicer in respect of the Cover Pool and credited to the Collection Account net of the amounts applied to purchase Eligible Assets and Integration Assets, during the immediately preceding Collection Period;
- (b) all other recoveries in the nature of principal received by the Master Servicer or any Servicer and credited to the Collection Account;
- (c) all principal amounts received from each Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (d) the proceeds of any disposal of Eligible Assets or Integration Assets;
- (e) any swap principal payable under the Swap Agreements, if any; and
- (f) all the amounts allocated pursuant to item *Sixth* of the Pre-Issuer Event of Default Interest Priority of Payments.

Pre-Issuer Event of Default Interest Priority of Payments

Prior to service of an Issuer Default Notice on the Guarantor and the Issuer or service of a Guarantor Default Notice on the Guarantor, Interest Available Funds will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the “**Pre-Issuer Event of Default Interest Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) *First*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses of the Guarantor to the extent that such Expenses are not met by utilising the amount standing to the credit of the Expenses Account and to credit the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (ii) *Second*, to pay any amount due and payable to the Representative of the Covered Bondholders;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Servicers, the Account Bank, the Operating Bank, the Guarantor Calculation Agent, the Test Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor, the Swap Collateral Account Bank (if any), the Principal Paying Agent, the Quotaholder Corporate Servicer and the Back-Up Servicer (if appointed);
- (iv) *Fourth*, to pay any amount due and payable to any Swap Provider, if any (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party) other than any principal amount under any relevant Liability Swap Agreement (if any);
- (v) *Fifth*, to transfer to the Cash Reserve Account the Cash Reserve Amount;
- (vi) *Sixth*, to allocate to the Principal Available Funds an amount equal to the amounts, if any, allocated on the immediately preceding Guarantor Payment Date and on any preceding Guarantor Payment Date pursuant to item (i) of the Pre-Issuer Event of Default Principal Priority of Payments, net of any amount already allocated under this item (vi) on any previous Guarantor Payment Date;
- (vii) *Seventh*, to pay the Base Interest due to the Subordinated Loan Providers under the relevant Subordinated Loans;
- (viii) *Eighth*, to pay any termination payments due and payable by the Guarantor to any Swap Provider (if any) not paid under item (iv) (*Fourth*) above; and
- (ix) *Ninth*, to pay any Premium due to the Subordinated Loan Providers under the relevant Subordinated Loans.

Pre-Issuer Event of Default Principal Priority of Payments

Prior to service of an Issuer Default Notice on the Issuer and the Guarantor or service of a Guarantor Default Notice on the Guarantor, all Principal Available Funds will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the “**Pre-Issuer Event of Default Principal Priority of Payments**”):

- (i) *First*, to pay any amount due and payable under items (i) (*First*) to (iv) (*Fourth*) of the Pre-Issuer Event of Default Interest Priority of Payments to the extent that the Interest Available Funds are not sufficient to make the payments in full on such Guarantor Payment Date;
- (ii) *Second*, to transfer any amount to the Cash Reserve Account necessary in order to make up any shortfall in the Cash Reserve Amount;
- (iii) *Third*, to pay any amount due to any Liability Swap Provider (if any) in respect of principal under any relevant Liability Swap Agreement (including any termination payments due and payable by the Guarantor except where the relevant Liability Swap Provider is the Defaulting Party or the Sole Affected Party);

- (iv) *Fourth*, to acquire a New Portfolio and/or Integration Assets and/or Eligible Assets (other than those funded through the proceeds of a Subordinated Loan) in compliance with the Statutory Tests;
- (v) *Fifth*, to pay any payments due and payable by the Guarantor to any Liability Swap Provider in respect of principal under any relevant Liability Swap Agreement and not paid under item (iii) (*Third*) above provided that the Statutory Tests are met;
- (vi) *Sixth*, to repay the Subordinated Loans advanced by the Subordinated Loan Providers under the relevant Subordinated Loan Agreements in accordance with the terms of the Subordinated Loan Agreements; and
- (vii) *Seventh*, to the extent that any Subordinated Loan Provider has not received amounts as repayment of the Subordinated Loans under item (vi) (*Sixth*) above, to deposit the relevant amounts in the Collection Account.

Guarantee Priority of Payments

On each Guarantor Payment Date after the service of an Issuer Default Notice on the Issuer and the Guarantor (but prior to the service of a Guarantor Default Notice), the Guarantor Available Funds shall be applied on each Guarantor Payment Date at the direction of the Guarantor in making the following payments or provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) *First*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses of the Guarantor owed to third parties to the extent that such Expenses are not met by utilising the amount standing to the credit of the Expenses Account and to credit the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (ii) *Second*, to pay any amount due and payable to the Representative of the Covered Bondholders;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Servicers, the Account Bank, the Operating Bank, the Guarantor Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor, the Swap Collateral Account Bank (if any), the Principal Paying Agent, the Quotaholder Corporate Servicer, the Test Calculation Agent and the Back-Up Servicer (if appointed);
- (iv) *Fourth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount, other than in respect of principal, due and payable on such Guarantor Payment Date or during the period commencing on (and including) such Guarantor Payment Date and ending on (but excluding) the immediately following Guarantor Payment Date (the “**Guarantor Payment Period**”) (i) to any Swap Provider (if any) (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) on the Covered Bonds;
- (v) *Fifth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount in respect of principal due and payable on such Guarantor Payment Date or during the immediately following Guarantor Payment Period (i) to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) on the Covered Bonds in accordance with the Conditions;
- (vi) *Sixth*, to deposit in the Cash Reserve Account any cash balances until the Covered Bonds have been repaid in full or sufficient amounts have been accumulated to pay outstanding Covered Bonds;
- (vii) *Seventh*, to pay any termination payments due and payable by the Guarantor to the Swap Providers (if any) not paid under item (iv) (*Fourth*) or (v) (*Fifth*) above;
- (viii) *Eighth*, to pay to the Sellers any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items above;
- (ix) *Ninth*, to pay any Base Interest due to the Subordinated Loan Providers under the relevant Subordinated Loans;

- (x) *Tenth*, to pay any principal due and payable to the Subordinated Loan Providers under the relevant Subordinated Loans; and
- (xi) *Eleventh*, to pay any Premium due to Subordinated Loan Providers under the relevant Subordinated Loans.

Application of Moneys following Occurrence of a Guarantor Event of Default

Following the occurrence of a Guarantor Event of Default and service of a Guarantor Default Notice on the Guarantor, the Guarantor Available Funds will be applied in the following order of priority (the “**Post-Enforcement Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (i) *First*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses of the Guarantor owed to third parties to the extent that such Expenses are not met by utilising the amount standing to the credit of the Expenses Account and to credit the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (ii) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Representative of the Covered Bondholders and the remuneration due to any Receiver and any proper costs and expenses incurred by it;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Servicers, the Account Bank, the Operating Bank, the Guarantor Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor, the Swap Collateral Account Bank (if any), the Principal Paying Agent, the Quotaholder Corporate Servicer, the Test Calculation Agent and the Back-Up Servicer (if appointed);
- (iv) *Fourth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) any amount due and payable to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) any interest and any Outstanding Principal Amount due under all outstanding Series of Covered Bonds;
- (v) *Fifth*, to pay any termination payments due and payable by the Guarantor to any Swap Provider (if any) not paid under item Fourth above;
- (vi) *Sixth*, to pay to the Sellers any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items above;
- (vii) *Seventh*, to pay any Base Interest due to Subordinated Loan Providers under the relevant Subordinated Loans;
- (viii) *Eighth*, to pay any principal due and payable to the Subordinated Loan Providers under the relevant Subordinated Loans; and
- (ix) *Ninth*, to pay any Premium due to the Subordinated Loan Providers under the relevant Subordinated Loans.

DESCRIPTION OF THE COVER POOL

The Cover Pool is comprised of (i) the Portfolio, which is in turn comprised of Mortgage Loans and related collateral assigned to the Guarantor by the Sellers in accordance with the terms of the Master Loans Purchase Agreement and (ii) any other Eligible Assets and Integration Assets held by the Guarantor.

The Initial Portfolio and each New Portfolio acquired by the Guarantor (the "**Portfolio**"), consists of Mortgage Loans sold by any of the Sellers to the Guarantor from time to time, in accordance with the terms of the Master Loans Purchase Agreement, as more fully described under "*Overview of the Transaction Documents — Master Loans Purchase Agreement*".

For the purposes hereof:

"Initial Portfolio" means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from each Seller pursuant to the Master Loans Purchase Agreement.

"New Portfolio" means any portfolio of Receivables (other than the Initial Portfolio), comprising Eligible Assets or Integration Assets, which may be purchased by the Guarantor from any Seller pursuant to the terms and subject to the conditions of the Master Loans Purchase Agreement.

Eligibility Criteria

The sale of Receivables and their Related Security and the transfer of any other Eligible Asset or Integration Asset to the Guarantor will be subject to various conditions (the "**Eligibility Criteria**") being satisfied on the relevant Transfer Date (except as otherwise indicated). The Eligibility Criteria with respect to each asset type will vary from time to time but will at all times include criteria so that both Italian law and Rating Agencies requirements are met.

Receivables and Public Entity Securities are considered eligible assets (the "**Eligible Assets**").

"Receivables" means specifically each and every right arising under the Mortgage Loans pursuant to the Mortgage Loan Agreements, including but not limited to:

- (i) all rights in relation to all Outstanding Principal of the Mortgage Loans as at the relevant Transfer Date;
- (ii) all rights and claims in respect of the payment of interest, including default interest, accrued on the Mortgage Loans and not yet collected as at the Transfer Date;
- (iii) all rights in relation to the payment of interest (including default interest) on the Mortgage Loans as from the relevant Transfer Date;
- (iv) all rights in relation to the reimbursement of expenses and in relation to any losses, costs, indemnities and damages and any other amount due to each Seller in relation to the Mortgage Loans, the Mortgage Loan Agreements, including penalties and any other amount due to each Seller in the case of prepayments of the Mortgage Loans, and to the warranties and insurance related thereto, including the rights in relation to the reimbursement of legal, judicial and other possible expenses incurred in connection with the collection and recovery of all amounts due in relation to the Mortgage Loans up to and as from the relevant Transfer Date;
- (v) all rights in relation to any amount paid pursuant to any Insurance Policy or guarantee in respect of the Mortgage Loans of which each Seller is the beneficiary or is entitled pursuant to any liens (*vincoli*);
- (vi) all of the above together with the Mortgages and any other security interests (*garanzie reali o garanzie personali*) assignable as a result of the assignment of the Receivables (except for the *fidejussioni*)

omnibus which have not been granted exclusively in relation to or in connection with the Mortgage Loans), including any other guarantee granted in favour of the Sellers in connection with the Mortgage Loans or the Mortgage Loan Agreements and the Receivables.

“**Public Entity Securities**” means pursuant to article 2, sub-paragraph 1, lett. (c) of Decree 310, any securities issued by, or which have benefit of a guarantee eligible for credit risk mitigation granted by, Public Entities.

Eligibility Criteria for Mortgage Loans

Under the Master Loans Purchase Agreement, the relevant Sellers and the Guarantor have agreed the following Common Criteria, Specific Criteria and Criteria for the Public Entities Securities (see "*Overview of the Transaction Documents — Master Loans Purchase Agreement*" above) that will be applied in selecting the Mortgage Loans that will be transferred thereunder to the Guarantor.

Common Criteria

The Receivables included in the Portfolios have been selected on the basis of the following common criteria (the “**Common Criteria**”) as at the Valuation Date (or at the specific date indicated with respect to the relevant Common Criteria):

- (i) residential mortgage loans whose ratio between the (i) outstanding principal amount and (ii) the value of the mortgaged property, pursuant to article 2, paragraph 1 of the Decree 310, is equal to or lower than 80 per cent (a “**Residential Mortgage Loan**”);
- (ii) commercial mortgage loans in respect of which the ratio between the (i) outstanding principal amount and (ii) the value of the mortgaged property, pursuant to article 2, paragraph 1 of the Decree 310, is equal to or lower than 60 per cent (a “**Commercial Mortgage Loan**”);
- (iii) receivables arising from Residential Mortgage Loans and Commercial Mortgage Loans (jointly, “**Mortgage Loans**”) which are granted in compliance with the requirements of the CRR;
- (iv) receivables arising from Mortgage Loans denominated in Euro;
- (v) receivables arising from Mortgage Loans classified by the relevant Seller as “*in bonis*” pursuant to the relevant supervisory regulations enacted by the Bank of Italy;
- (vi) receivables arising from Mortgage Loans deriving from Mortgage Loan Agreements with reference to which at least an Instalment has been paid;
- (vii) receivables arising from Mortgage Loans secured by a mortgage in favour of the relevant Seller which is (i) a legal first ranking mortgage, or (ii) an economic first ranking mortgage, which means: (a) mortgages ranking subordinated to the legal first ranking mortgages, provided that all obligations secured by mortgage/mortgages with a prevailing ranking, had been fully satisfied as at the Valuation Date; (b) mortgages ranking subordinated to the legal first ranking provided that all mortgages with prevailing ranking (save for any mortgages with prevailing ranking whose secured obligations had been fully satisfied as at the Valuation Date) are registered in favour of the same Seller as a security for claims that satisfy all the other Criteria related to the relevant Seller;
- (viii) receivables arising from Mortgage Loans in relation to which the pre-amortization period is fully elapsed as required by the relating Mortgage Loan Agreement;
- (ix) receivables arising from Mortgage Loans not deriving from subsidised loans or which do not benefit of contributions or other benefits in relation to principal or interest in compliance with the law or conventions (the so-called “*Mutui agevolati*” and “*Mutui convenzionati*”);

- (x) receivables arising from Mortgage Loans granted to natural person, which, as at the date of the disbursement of the Mortgage Loan, were employees of the relevant Seller (a “**Staff Mortgage Loan**”);
- (xi) receivables arising from Mortgage Loans not deriving from mortgage loan agreements qualified as agricultural loans (“*credito agrario*”) pursuant to article 43 of the Consolidated Banking Act, neither in case the agricultural credit transaction has been executed through an agricultural promissory note (“*cambiale agraria*”);
- (xii) receivables arising from Mortgage Loans fully disbursed for which there is no obligation to disburse any further amount;
- (xiii) receivables arising from Mortgage Loans in relation to which the principal debtors are natural person resident in Italy or domiciled in Italy, and in any case resident in the European Economic Area;
- (xiv) receivables arising from Mortgage Loans that are secured by a mortgage created over real estate assets located in the Republic of Italy in accordance with applicable laws and regulations;
- (xv) receivables arising from Mortgage Loans in respect of which the hardening period (“*periodo di consolidamento*”) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;
- (xvi) receivables arising from Mortgage Loans granted or acquired by the relevant Seller;
- (xvii) receivables arising from Mortgage Loans which are governed by Italian law;
- (xviii) receivables arising from Mortgage Loans in relation to which the Mortgage Loan Agreements do not provide for any clauses limiting the possibility for the relevant Seller to assign the receivables arising thereunder or providing the Debtor's consent for such assignment and the relevant Seller has obtained such consent;
- (xix) receivables arising from Mortgage Loans which provide for the payment by the Debtor of monthly, bimonthly, quarterly, four-monthly, semi-annual or annual instalments;
- (xx) receivables arising from Mortgage Loans in relation to which the relevant borrower benefits from (i) rescheduling or suspension of payments agreements (including moratoriums) in accordance with applicable legislation or agreements entered into by the Italian Banking Association or other trade associations to which the relevant Seller is a party, or voluntary suspension programmes started by the relevant Seller, exclusively in order to deal with states of emergency and/or calamitous events (both natural and man-made) or major economic crisis of national importance; (ii) voluntary suspension agreements entered into by the relevant Seller in order to deal with states of emergency and/or particular concern, including those of local relevance (the “**Renegotiated Mortgage Loans**”).

Specific Criteria

All Receivables included in any relevant Portfolio shall also comply with the Specific Criteria which shall be identified from time to time by each relevant Seller.

Criteria for the Public Entities Securities

The Public Entity Securities included in the Portfolios meet the following criteria (the “**Public Entity Securities Criteria**”) as at the Valuation Date:

- a) securities issued by public entities, including ministerial bodies and local or regional bodies, of the Admitted States within for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for Banks— standardised approach;
- b) securities issued by public entities, located outside the Admitted States, for which a 0 per cent. risk weight is applicable in accordance with the Bank of Italy's prudential regulations for Banks — standardised approach;
- c) securities issued by regional or local public entities or non-economic administrative entities, located outside the Admitted States, for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for Banks — standardised approach,

provided that, the aggregate of the securities described under item b) and c) above and the receivables whose debtors are the same entities mentioned in item b) and c), may be included in the Portfolios only up to a limit of 10% of the nominal value of the residual debt of the other Eligible Assets included in the Portfolio.

DESCRIPTION OF CERTAIN RELEVANT LEGISLATION IN ITALY

The following is a general description of the Law 130 (as defined below) and other legislation that may be relevant to investors in assessing the Covered Bonds, including recent legislation affecting the rights of mortgage borrowers. It does not purport to be a complete analysis of the legislation described below or of the other considerations relating to the Covered Bonds arising from Italian laws and regulations. Furthermore, this summary is based on Italian Legislation as in effect on the date of this Base Prospectus, which may be subject to change, potentially with retroactive effect. This description will not be updated to reflect changes in laws. Accordingly, prospective Covered Bondholders should consult their own advisers as to the risks arising from Italian legislations that may affect any assessment by them of the Covered Bonds.

The Law 130

The legal and regulatory framework with respect to the issue of covered bonds in Italy comprises the following:

- Article 7-bis and article 7-ter of the Law No. 130 of 30 April 1999 (as amended and supplemented from time to time, the "**Law 130**");
- the regulations issued by the Italian Ministry for the Economy and Finance on 14 December 2006 under Decree 310 (the "**MEF Regulation**");
- the C.I.C.R. Decree dated 12 April 2007; and
- Part III, Chapter 3 of the "*Disposizioni di Vigilanza per le Banche*" (*Circolare* No. 285 of 17 December 2013), as amended and supplemented from time to time (the "**Bank of Italy Instructions**").

Law Decree No. 35 of 14 March 2005, converted by Law No. 80 of 14 May 2005, amended the Italian Law 130 by adding two new articles, Articles 7-bis and 7-ter, which enable banks to issue covered bonds. Articles 7-bis and 7-ter, however, required both the Italian Ministry of Economy and Finance and the Bank of Italy to issue specific regulations before the relevant structures could be implemented.

The Italian Law 130 was further amended by Law Decree no. 145 of 23 December 2013 as converted with amendments into Law n. 9 of 21 February 2014 and by Law Decree no. 91 of 24 June 2014 as converted with amendments into Law No. 116 of 11 August 2014 and by Law Decree no. 34 of 30 April 2019, as converted with amendments into Law No. 58 of 28 June 2019.

The Bank of Italy published new supervisory regulations on banks in December 2013 (*Circolare* of the Bank of Italy No. 285 of 17 December 2013) which came into force on 1 January 2014, implementing CRD IV Package and setting out additional local prudential rules concerning matters not harmonised on EU level. Following the publication on 25 June 2014 of the 5th update to Circular of the Bank of Italy No. 285 of 17 December 2013, which added a new Chapter 3 ("*Obbligazioni bancarie garantite*") in Part III contained therein, the provisions set forth under Title V, Chapter 3 of *Circolare* No. 263 of 27 December 2006 have been abrogated.

The Bank of Italy Regulations introduced provisions, among other things, regulating:

- (i) the capital adequacy requirements that issuing banks must satisfy in order to issue covered bonds and the ability of issuing banks to manage risks;
- (ii) limitations on the total value of eligible assets that banks, individually or as part of a group, may transfer as cover pools in the context of covered bond transactions;
- (iii) criteria to be adopted in the integration of the assets constituting the cover pools;
- (iv) the identification of the cases in which the integration is permitted and its limits; and

- (v) monitoring and surveillance requirements applicable with respect to covered bond transactions and the provision of information relating to the transaction.

Basic structure of a covered bond issue

The structure provided under Article 7-*bis* with respect to the issue of covered bonds may be summarised as follows:

- a bank transfers a pool of eligible assets (i.e. the cover pool) to an Article 7-*bis* special purpose vehicle (the "SPV");
- the bank grants the SPV a subordinated loan in order to fund the payment by the SPV of the purchase price due for the cover pool;
- the bank issues the covered bonds which are supported by a first demand, unconditional and irrevocable guarantee issued by the SPV for the exclusive benefit of the holders of the covered bonds and the hedging counterparties involved in the transaction. The guarantee is backed by the entire cover pool held by the SPV.

Article 7-*bis* however also allows for structures which contemplate different entities acting respectively as cover pool provider, subordinated loan provider and covered bonds issuer.

The SPV

The Italian legislator chose to implement the new legislation on covered bonds by supplementing the Italian Securitisation Law, thus basing the new structure on a well established platform and applying to covered bonds many provisions with which the market is already familiar in relation to Italian securitisations. Accordingly, as is the case with the special purpose entities which act as issuers in Italian securitisation transactions, the SPV is required to be established with an exclusive corporate object that, in the case of covered bonds, must be the purchaser of assets eligible for cover pools and the person giving guarantees in the context of covered bond transactions.

The guarantee

The MEF Regulation provides that the guarantee issued by the SPV for the benefit of the bondholders must be irrevocable, first-demand, unconditional and independent from the obligations of the issuer of the covered bonds. Furthermore, upon the occurrence of a default by the issuer in respect of its payment obligations under the covered bonds, the SPV must provide for the payment of the amounts due under the covered bonds, in accordance with their original terms and with limited recourse to the amounts available to the SPV from the cover pool. The acceleration of the issuer's payment obligations under the covered bonds will not therefore result in a corresponding acceleration of the SPV's payment obligations under the guarantee (thereby preserving the maturity profile of the covered bonds).

Upon an insolvency of the issuer, the SPV will be solely responsible for the payment obligations of the issuer owed to the covered bond holders, in accordance with their original terms and with limited recourse to the amounts available to the SPV from the cover pool. In addition, the SPV will be exclusively entitled to exercise the rights of the covered bond holders vis à vis the issuer's bankruptcy in accordance with the applicable bankruptcy law. Any amount recovered by the SPV from the bankruptcy of the issuer become part of the cover pool.

Finally, if a moratorium is imposed on the issuer's payments, the SPV will fulfil the issuer's payment obligations, with respect to amounts which are due and payable and with limited recourse to the cover pool. The SPV will then have recourse against the issuer for any such payments.

Segregation and subordination

Article 7-*bis* provides that the assets comprised in the cover pool and the amounts paid by the debtors with respect to the receivables and/or debt securities included in the cover pool are exclusively designated and segregated by law for the benefit of the holders of the covered bonds and the hedging counterparties involved in the transaction.

In addition, Article 7-*bis* expressly provides that the claim for reimbursement of the loan granted to the SPV to fund the purchase of assets in the cover pool is subordinated to the rights of the covered bond holders and of the hedging counterparties involved in the transaction.

Exemption from claw-back

Article 7-*bis* provides that the guarantee and the subordinated loan granted to fund the payment by the SPV of the purchase price due for the cover pool are exempt from the bankruptcy claw-back provisions set out in Article 67 of the Bankruptcy Law (Royal Decree No. 267 of 16 March 1942).

In addition to the above, any payments made by an assigned debtor to the SPV may not be subject to any claw-back action according to Article 65 of the Bankruptcy Law.

The issuing bank

The Bank of Italy Regulations provide that covered bonds may only be issued by banks which individually satisfy, or which belong to banking groups which, on a consolidated basis:

- have own funds of at least Euro 250,000,000; and
- have a minimum total capital ratio of not less than 9 per cent.

Banks not complying with the above mentioned requirements may set up covered bond programmes only prior notice to the Bank of Italy, which may start an administrative process to assess the compliance with the required requirements.

The Bank of Italy Regulations specify that the requirements above also apply to the bank acting as cover pool provider (in the case of structures in which separate entities act respectively as issuing bank and as cover pool provider).

The Bank of Italy Regulations furthermore provide that the total amount of eligible assets that a bank may transfer to cover pools in the context of covered bond transactions is subject to limitations linked to the tier 1 ratio and common equity tier 1 ratio of the individual bank (or of the relevant banking group, if applicable) as follows:

Ratios		Transfer Limitations
“A” range	Tier 1 ratio \geq 9%	No limitations
	Common Equity Tier 1 ratio \geq 8%	
“B” range	Tier 1 ratio \geq 8%	Up to 60% of eligible assets may be transferred
	Common Equity Tier 1 ratio \geq 7%	
“C” range	Tier 1 ratio \geq 7%	Up to 25% of eligible assets may be transferred
	Common Equity Tier 1 ratio \geq 6%	

The Bank of Italy Regulations clarify that the ratios provided with respect to each range above must be satisfied jointly: if a bank does not satisfy both ratios with respect to a specific range, the range applicable to

it will be the following, more restrictive, range. Accordingly, if a bank (or the relevant banking group) satisfies the "b" range tier 1 ratio but falls within the "c" range with respect to its common equity tier 1 ratio, the relevant bank will be subject to the transfer limitations applicable to the "c" range.

In addition to the above, certain further amendments have been introduced in respect of the monitoring activities to be performed by the asset monitor.

The Cover Pool

For a description of the assets which are considered eligible for inclusion in a cover pool under Article 7-bis, see "*Description of the Cover Pool – Eligibility Criteria*".

Ratio between cover pool value and covered bond outstanding amount

The MEF Regulation provides that the cover pool provider and the issuer must continually ensure that, throughout the transaction:

- the aggregate nominal value of the cover pool is at least equal to the nominal amount of the relevant outstanding covered bonds;
- the net present value of the cover pool (net of all the transaction costs borne by the SPV, including in relation to hedging arrangements) is at least equal to the net present value of the relevant outstanding covered bonds;
- the interest and other revenues deriving from the cover pool (net of all the transaction costs borne by the SPV) are sufficient to cover interest and costs due by the issuer with respect to the relevant outstanding covered bonds, taking into account any hedging agreements entered into in connection with the transaction.

In respect of the above, under the Bank of Italy Regulations, strict monitoring procedures are imposed on banks for the monitoring of the transaction and of the adequacy of the guarantee on the cover pool. Such activities must be carried out both by the relevant bank and by an asset monitor, to be appointed by the bank, which is an independent accounting firm. The asset monitor must prepare and deliver to the issuing bank's board of auditors, on an annual basis, a report detailing its monitoring activity and the relevant findings.

The Bank of Italy Regulations require banks to carry out the monitoring activities described above at least every 6 months with respect to each covered bond transaction. Furthermore, the internal auditors of banks must comprehensively review every 12-months the monitoring activity carried out with respect to each covered bond transaction, basing such review, among other things, on the evaluations supplied by the asset monitor.

In addition to the above, pursuant to the Bank of Italy Regulations provide that the management body of the issuing bank must ensure that the internal structures delegated to the risk management verify at least every six months and for each transaction completeness, accuracy and timeliness of information available to investors pursuant to art. 129, paragraph 7, of the CRR.

In order to ensure that the monitoring activities above may be appropriately implemented, the Bank of Italy Regulations require that the entities participating in covered bond transactions be bound by appropriate contractual undertakings to communicate to the issuing bank, the cover pool provider and the entity acting as servicer in relation to the cover pool assets all the necessary information with respect to the cover pool assets and their performance.

Substitution of assets

The MEF Regulation and the Bank of Italy Regulations provide that, following the initial transfer to the cover pool, the eligible assets comprised in the cover pool may only be substituted or supplemented in order to ensure that the requirements described under "*Ratio between cover pool value and covered bond outstanding amount*", or the higher over-collateralisation provided for under the relevant covered bond transaction documents, are satisfied at all times during the transaction.

The eligible assets comprised in the cover pool may only be substituted or supplemented by means of:

- the transfer of further assets (eligible to be included in the cover pool in accordance with the criteria described above);
- the establishment of deposits held with banks ("**Qualified Banks**") which have their registered office in a member state of the European Economic Area or in Switzerland or in a state for which a 0 per cent. risk weight is applicable in accordance with the Bank of Italy Regulations standardised approach; and
- the transfer of debt securities, having a residual life of less than one year, issued by the Qualified Banks.

The MEF Regulation and the Bank of Italy Regulations, however, provide that the assets described in the last two paragraphs above, cannot exceed 15 per cent. of the aggregate nominal value of the cover pool. This 15 per cent. limitation must be satisfied throughout the transaction and, accordingly, the substitution of cover pool assets may also be carried out in order to ensure that the composition of the assets comprised in the cover pool continues to comply with the relevant threshold.

The Bank of Italy Regulations clarify that the limitations to the overall amount of eligible assets that may be transferred to cover pools described under "*The Issuing Bank*" above do not apply to the subsequent transfer of supplemental assets for the purposes described under this paragraph.

Taxation

Article 7-bis, sub-paragraph 7, provides that any tax is due as if the granting of the subordinated loan and the transfer of the cover pool had not taken place and as if the assets constituting the cover pool were registered as on-balance sheet assets of the cover pool provider, *provided that*:

- the purchase price paid for the transfer of the cover pool is equal to the most recent book value of the assets constituting the cover pool; and
- the subordinated loan is granted by the same bank acting as cover pool provider.

The provision described above would imply, as a main consequence, that banks issuing covered bonds will be entitled to include the receivables transferred to the cover pool as on-balance receivables for the purpose of tax deductions applicable to reserves for the depreciation on receivables in accordance with Article 106 of Presidential Decree No. 917 of 22 December 1986.

Usury Law

Italian Law number 108 of 7 March 1996, as amended by law decree No. 70 of 13 May 2011 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In certain judgements issued

during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law.

On 29 December 2000, the Italian Government issued law decree No. 394 (the “**Decree 394**”), converted into law by the Italian Parliament on 28 February 2001, which clarified the uncertainty about the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rates at the time when the loan agreement or any other credit facility was entered into or the interest rate was agreed. The Decree 394, as interpreted by the Italian Constitutional Court by decision No. 29 of 14 February 2002, also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 31 December 2000 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000.

According to recent court precedents of the Italian Supreme Court (*Corte di Cassazione*), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter. Furthermore, those court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Statutory Usury Rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable Statutory Usury Rates against which the former must be compared.

To solve such a contrast between different Italian Supreme Court (*Corte di Cassazione*) decisions, a recent decision by the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rate as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective falling outside of the scope of the Usury Law. In this respect, due to the recent date of this last decision, it remains unclear how such decision will be applied by the merit courts.

In addition, the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the ‘type’ of rate which determined the breach shall be deemed as null and void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to the last interpretation of the Supreme Court.

Compounding of interest

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months or from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice. However, a number of recent judgements from Italian courts (including judgements from the Italian Supreme Court (*Corte di Cassazione*) have held that such practices may not be defined as customary practices. Consequently if Debtors were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Mortgage Loans may be prejudiced.

In this respect, it should be noted that Article 25, paragraph 3, of legislative decree No. 342 of 4 August 1999 (“**Decree No. 342**”), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the CICR issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional under the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Recently, article 17 bis of law decree 18 of 14 February 2016 as converted into Law no. 49 of 8 April 2016 amended article 120, paragraph 2, of the Consolidated Banking Act, providing that the accrued interest shall not produce further interests, except for default interests, and are calculated exclusively on the principal amount. On 8 August 2016, the decree no. 343 of 3 August 2016 issued by the Minister of Economy and Finance, in his quality of President of the CICR, implementing article 120, paragraph 2, of the Consolidated Banking Act, has been published. Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Base Prospectus.

TAXATION

Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Covered Bonds, including, but not limited to, the consequences of receipt of payments under the Covered Bonds and their disposal or redemption.

Italian taxation

The following is an overview of current Italian law and practice relating to the taxation of the Covered Bonds. The statements herein regarding taxation are based on the laws in force in Italy as of 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.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each Covered Bondholder: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and 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 Covered Bonds and receiving payments of interest, principal and/or other amounts under the securities, including in particular the effect of any state, regional or local tax laws.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Covered Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Covered Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Covered Bonds. This overview does not describe the tax consequences for an investor with respect to Covered Bonds that provide payout linked to the profits of the Issuer, profits of other company of the group or profits of the business in relation to which they are issued.

Interest and other proceeds from Covered Bonds that qualify as bonds or instruments similar to bonds

Legislative Decree No. 239 of 1 April 1996 (“**Decree No. 239**”), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from certain securities issued, *inter alia*, by Italian resident banks, falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*).

For these purposes, debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value and that do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control on the management.

Italian resident Covered Bondholders

Where an Italian resident Covered Bondholder is (a) an individual not engaged in an entrepreneurial activity to which the Covered Bonds are connected (unless he has opted for the application of the “*risparmio gestito*” regime – see “*Capital Gains Tax*” below), (b) a non-commercial partnership, pursuant to article 5 of the Italian Income Consolidated Code (“**TUIR**”) (with the exception of general partnership, limited partnership and similar entities) (c) a non-commercial private or public institution (other than Italian undertakings for collective investment), or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income (other than capital gains) (“**Interest**”) relating to the Covered Bonds, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26%. In the event that the Covered Bondholders described under (a) and (c) above are engaged in an entrepreneurial

activity to which the Covered Bonds are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Covered Bonds if the Covered Bonds 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 Covered Bondholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Covered Bonds are effectively connected and the Covered Bonds are deposited with an authorised intermediary, Interest from the Covered Bonds will not be subject to *imposta sostitutiva*, but must be included in the relevant Covered Bondholder's annual income tax return and are therefore subject to general Italian corporate taxation ("**IRES**"), generally levied at the rate of 24%. Banks and other financial institutions will be subject to an additional corporation tax levied at the rate of 3.5%. In certain circumstances, subject to the "status" of the Covered Bondholder, also regional tax on productive activities ("**IRAP**") may apply. IRAP is generally levied at the rate of 3.9% while banks or other financial institutions will be subject to IRAP at the special rate of 4.65%; in any case regions may vary the IRAP rate by up to 0.92%.

If an investor is resident in Italy and is an open-ended or closed-ended investment fund subject to the tax regime provided by Law No. 77 of 23 March 1983 (the "**Fund**"), a SICAV or a non-real estate SICAF and the Covered Bonds are held by an authorised intermediary, Interest accrued during the holding period on the Covered Bonds will not be subject to *imposta sostitutiva* but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF accrued at the end of each tax period. The Fund, the SICAV or the non-real estate SICAF will not be subject to taxation on such result, but a substitutive tax, up to 26%, will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 ("**Decree 351**"), 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, Italian real estate investment funds created under Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the "**Real Estate SICAFs**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the Real Estate SICAF. However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or Real Estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Where an Italian resident Covered Bondholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period, to be subject to a 20% substitute tax. Subject to certain conditions (including minimum

holding period requirement) and limitations, Interest may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds 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, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* (“SIMs”), fiduciary companies, *Società di gestione del risparmio* (“SGRs”), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an “**Intermediary**”) as subsequently amended and integrated.

An Intermediary to be entitled to apply the *imposta sostitutiva*, must (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Covered Bonds. For the purpose of the application of the *imposta sostitutiva*, a transfer of Covered Bonds includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Covered Bonds or in a change of the Intermediary with which the Covered Bonds are deposited.

Where the Covered Bonds are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Covered Bondholder. If Interest on the Covered Bonds are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above will be required to include Interest in their yearly income tax return and subject them to a final substitute tax at a rate of 26%.

Non-Italian resident Covered Bondholders

Where the Covered Bondholder is a non-Italian resident, without a permanent establishment in Italy to which the Covered Bonds are effectively connected, an exemption from *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an institutional investor that is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence; or, independently by the relevant country of tax residence, (c) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (d) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

It should be noted that, pursuant to Article 11 of Decree No. 239, the countries which allow for a satisfactory exchange of information with Italy are those countries listed in the Ministerial Decree of 4 September 1996, amended by Italian Ministerial Decree dated 23 March 2017, and as amended from time to time. Pursuant to Article 1-bis of Ministerial Decree of 4 September 1996, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with the exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries.

The *imposta sostitutiva* will be applicable at the rate of 26% to Interest accrued during the holding period, when the Covered Bondholders are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy. The *imposta sostitutiva* may be reduced by applicable double tax treaty, if any.

In order to ensure gross payment, non-Italian resident investors must be the beneficial owners of the payments of interest, premium or other proceeds and (a) deposit, directly or indirectly, the Covered Bonds or the coupons with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with

a non-resident operator of a clearing system having appointed as its agent in Italy for the purposes of Decree 239 an Italian resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or a non-Italian resident bank or SIM which are in contact via computer with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Covered Bonds, a statement of the relevant Covered Bondholder, which remains valid until withdrawn or revoked, in which the Covered Bondholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in 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.

Payments made by an Italian resident guarantor

There is no authority directly on point regarding the Italian tax regime of payments made by an Italian resident guarantor under the Guarantee. Accordingly, there can be no assurance that the Italian revenue authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

With respect to payments on the Covered Bonds made to certain Italian resident Covered Bondholders by an Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Covered Bonds may be treated, in certain circumstances, as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

In accordance with another interpretation, any such payment made by the Italian resident Guarantor may be subject to an advance or final withholding tax at a rate of 26% pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In the case of payments to non-Italian resident bondholders, double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

Atypical securities

Interest payments relating to Covered Bonds that are not deemed to fall within the category of bonds (*obbligazioni*), debentures similar to bonds (*titoli similari alle obbligazioni*), shares or securities similar to shares pursuant to Article 44 of TUIR may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity or redemption, an amount not lower than their nominal value and that do not give any right to directly or indirectly participate in the management of the issuer or to the business in relation to which the securities were issued, nor to control the same.

In the case of Covered Bonds issued by an Italian resident issuer, where the Covered Bondholder is:

- (a) an Italian individual engaged in an entrepreneurial activity to which the Covered Bonds are connected;
- (b) an Italian company or a similar Italian commercial entity;
- (c) a permanent establishment in Italy of a foreign entity;
- (d) an Italian commercial partnership; or
- (e) an Italian commercial private or public institution,

such withholding tax is a provisional 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 Covered Bonds qualifying as atypical securities if such Covered Bonds 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.

In all other cases, including when the Covered Bondholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Covered Bondholders, the withholding tax rate may be reduced by any applicable tax treaty between the Republic of Italy and the country of residence of the relevant Covered Bondholder.

Capital Gains Tax

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

Where an Italian resident Covered Bondholder is (i) an individual not holding the Covered Bonds in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Covered Bondholder from the disposal of the Covered Bonds would be subject to an *imposta sostitutiva*, levied at the rate of 26%. Under some conditions and limitations, Covered Bondholders may set off losses with gains. In respect of the application of the *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 taxation of capital gains realised by Covered Bondholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the relevant Covered Bondholder pursuant to all disposals of the Covered Bonds carried out during any given tax year. These Covered Bondholders must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in their annual tax return and pay *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, Italian resident individual Covered Bondholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each disposal of the Covered Bonds (the *risparmio amministrato* regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as subsequently amended, “**Decree No. 461**”). Such separate taxation of capital gains is allowed subject to (a) the Covered Bonds being deposited with an Intermediary and (b) an express election for the *risparmio amministrato* regime being made timely in writing by the relevant Covered Bondholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each disposal of the Covered Bonds, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Covered Bondholder or using funds provided by the Covered Bondholder for this purpose. Under the *risparmio*

amministrato regime, where a disposal of the Covered Bonds results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Covered Bondholder is not required to declare the capital gains in the annual tax return.

- c) Any capital gains realised or accrued by Italian Covered Bondholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Covered Bonds, to an authorised Intermediary and have opted for the so-called *risparmio gestito* regime (regime provided by Article 7 of Decree No. 461) 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% substitute tax, to be paid by the managing authorised Intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Covered Bondholder is 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 Covered Bonds if the Covered Bonds 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 Covered Bondholder who is an Italian real estate fund to which the provisions of Decree 351, 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, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF. However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or Real Estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Any capital gains realised by a Covered Bondholder which is a Fund (as defined above), a SICAV or a SICAF will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund, the SICAV or the SICAF will not be subject to taxation on such result, but a substitutive tax, up to 26%, will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by a Covered Bondholder who is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds 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.

A 26 per cent. *imposta sostitutiva* may be payable on capital gains realised on the sale or redemption of the Covered Bonds by non-Italian resident persons without a permanent establishment in Italy to which the Covered Bonds are effectively connected, if the Covered Bonds are held in Italy.

However, capital gains realised by non-Italian resident Covered Bondholders without a permanent establishment in Italy to which the Covered Bonds are effectively connected, from the disposal of Covered Bonds issued by an Italian resident Issuer are not subject to Italian taxation, provided that the Covered Bonds are transferred on regulated markets, and in certain cases subject to the timely filing of required documentation (in particular, a self-declaration that the Covered Bondholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Covered Bonds are deposited, even if the Covered Bonds are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-Italian resident Covered Bondholders not holding the Covered Bonds through a permanent establishment in Italy from the disposal of Covered Bonds not transferred on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence.

It should be noted that, pursuant to Article 11 of Decree No. 239, the countries which allow for a satisfactory exchange of information with Italy are those countries listed in the Ministerial Decree of 4 September 1996, amended by Italian Ministerial Decree dated 23 March 2017, and as amended from time to time. Pursuant to Article 1-bis of Ministerial Decree of 4 September 1996, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with the exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries.

If none of the conditions above are met, capital gains realised by non-Italian resident Covered Bondholders from the disposal of Covered Bonds issued by an Italian resident Issuer are subject to the *imposta sostitutiva* at the current rate of 26%.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Covered Bonds are connected, who may benefit from a double taxation treaty with Italy providing that capital gains realised upon the disposal of Covered Bonds are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the disposal of Covered Bonds.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- b) transfers in favour of relatives to the fourth degree or relatives-in-law of a direct lineage or after relatives-in-law of a collated lineage up to the third degree are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift;
- c) transfers in favour of brothers/sisters are subject to the 6% inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

- d) any other transfer, in principle, is subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate, mentioned above in (a), (b), (c) and (d) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Article 37 of Law Decree No. 248 of 31 December 2007, converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (a) public deeds and notarized deeds are subject to fixed registration tax at rate of €200; (b) private deeds are subject to registration tax only in case of use (*caso d'uso*), explicit reference (*enunciazione*) or voluntary registration.

Stamp duty

Pursuant to Article 13(2-ter) of the Tariff, Annex A, Part I, of the Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. As of 1 January 2014, stamp duty applies at a rate of 0.20% and, for taxpayers different from individuals, cannot exceed €14,000. 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 securities held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012, as subsequently amended and supplemented) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19 Decree No. 201 of 6 December 2011, converted with Law No. 214 of December 22, 2011 (as amended by Article 1(710)(d) of Law 27 December 2019, No. 160 and Article 134 of Law Decree No. 34), Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.20% for each year. The wealth tax cannot exceed Euro 14,000 per year for taxpayers other than individuals.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure 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).

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 (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the

United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. 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 that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, 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 Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthrough payments are filed with the U.S. Federal Register. Further Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under “*Terms and Conditions of the Covered Bonds—Further Issues*”) that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Covered Bonds.

The proposed European Union financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common EU FTT 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 has very broad scope and could, if introduced, apply to certain dealings in the Covered Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Covered Bonds 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 Covered Bonds 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.

Joint statements issued by participating Member States indicate an intention to implement the FTT.

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 Covered Bonds are advised to seek their own professional advice in relation to the EU FTT.

SUBSCRIPTION AND SALE

Covered Bonds may be sold from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Programme Agreement. Under the Programme Agreement, the Issuer and the Dealer(s) have agreed that any Covered Bonds of any Series which may from time to time be agreed between the Issuer and any Dealer(s) to be issued by the Issuer and subscribed for by such Dealer(s) shall be issued and subscribed for on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of the Programme Agreement. Any such agreement will, *inter alia*, make provision for the terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds.

Subscription Agreement

Any subscription agreement between the Issuer, the Representative of the Covered Bondholders and the relevant Dealer and/or any additional or other dealers, from time to time for the sale and purchase of Covered Bonds (a “**Subscription Agreement**”) will, *inter alia*, make provision for the price at which the relevant Covered Bonds will be purchased by the relevant Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. Each Subscription Agreement will also provide for the confirmation of the appointment of the Representative of the Covered Bondholders by the relevant Dealer as initial holder of the Covered Bonds then being issued.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Series of Covered Bonds specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds, as the case may be, which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms 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 the MiFID II; or
 - (ii) a customer within the meaning of the Directive (UE) 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 the Prospectus Regulation; and
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

If the Final Terms of any Covered Bond specifies “Prohibition of Sale to EEA Retail Investors” as “Not

Applicable”, in relation to each Member State of the European Economic Area (each, a “**Relevant State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the relevant Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Covered Bonds to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) 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
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in (a) to (c) 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, the expression an “offer of Covered Bonds to the public” in relation to any Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (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 (the “**UK Prospectus Regulation**”).

If the Final Terms in respect of any Covered Bonds includes the legend “Prohibition of Sales to UK Retail Investors” as “Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds 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 UK except that it may make an offer of such Covered Bonds

to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (a) to (c) 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 Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision, (i) the expression an **offer** of Covered Bonds to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and (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, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Covered Bonds 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 Covered Bonds 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 Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

United States of America

The Covered Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from 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.

The Covered Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it will not offer, sell or deliver Covered Bonds, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in case of an issue of the Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part within the United States of America or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree, that it will send to each Dealer to which it sells Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States of America 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.

Until 40 days after the commencement of the offering of any Series of Covered Bonds an offer or sale of such Covered Bonds within the United States of America by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Japan

The Covered Bonds 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, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, 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 Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds and that such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1, L.533-16 and L.533-20 of the French Code *monétaire et financier*.

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall only offer Covered Bonds in the Federal Republic of Germany in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws applicable in the Federal Republic of Germany.

Republic of Italy

The offering of the Covered Bonds has not been registered with the CONSOB pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that sales of the Covered Bonds in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Each Dealer has represented and agreed that, save as set out below, no Covered Bonds may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except in circumstances falling within Article 1(4) of the Prospectus Regulation or Article 3(2) of the Prospectus Regulation and Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time.

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

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Law, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time);
- (b) in compliance with Article 129 of the Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy, issued on 25 August 2015 (as amended on 10 August 2016), and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or any other Italian authority.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Covered Bonds or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Covered Bonds or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Covered Bonds) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Listing and Admission to Trading

This Base Prospectus has been approved as a base prospectus issued in compliance with the Prospectus Regulation by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") in its capacity, as competent authority in the Grand Duchy of Luxembourg for the purposes of the Prospectus Regulation. Application has been made for Covered Bonds issued under the Programme during the period of 12 months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market or on the Professional Segment of the regulated market of the Luxembourg Stock Exchange.

However, Covered Bonds may be issued pursuant to the Programme which will be unlisted or be admitted to listing, trading and/or quotation by such other competent authority, stock exchange or quotation system as the Issuer and the relevant Dealer(s) may agree.

Authorisations

The establishment of the Programme has been duly authorised by the resolutions of the management board of the Issuer respectively dated (i) 6 April 2018, (ii) 25 October 2018, (iii) 22 March 2019, (iv) 30 April 2020, (v) 7 May 2021, and (vi) 27 May 2021; and the granting of the Covered Bond Guarantee has been duly authorised by the resolutions of the quotaholders of the Guarantor dated 27 May 2021.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is NNVPP80YIZGEY2314M97.

The Legal Entity Identifier (LEI) of the Guarantor is 8156008EF82808F5E965.

Issuer Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or had during the 12 months prior to the date of this Base Prospectus a significant effect on the financial position or profitability of the Issuer and the *Gruppo Bancario Cooperativo Iccrea*.

Guarantor Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Guarantor is aware), which may have, or have had during the 12-months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Guarantor.

Trend Information

Since 31 December 2020, there has been no material adverse change in the prospects of the Issuer and the *Gruppo Bancario Cooperativo Iccrea*.

Since 31 December 2020, there has been no material adverse change in the prospects of the Guarantor.

No Significant Change

Since 31 December 2020 (being the last day of the financial period in respect of which the most recent published financial statements of the Issuer have been prepared), there has been no significant change in the financial position, performance or trading position of the Issuer and the *Gruppo Bancario Cooperativo Iccrea*.

Since 31 December 2020, there has been no significant change in the financial performance, financial position or trading position of the Guarantor.

Minimum Denomination

Where Covered Bonds issued under the Programme are admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a base prospectus under the Prospectus Regulation, such Covered Bonds will not have a denomination of less than Euro 100,000 (or, where the Covered Bonds are issued in a currency other than Euro, the equivalent amount in such other currency).

Publication on the Internet

This Base Prospectus, any supplement hereto and the Final Terms will be available on the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Documents on Display

For so long as the Programme remains in effect or any Covered Bonds shall be outstanding and admitted to trading on the regulated market or on the Professional Segment of the regulated market of the Luxembourg Stock Exchange, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent, namely:

- (a) the Transaction Documents;
- (b) the Issuer's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof (which are available also on www.iccreabanca.it/Style%20Library/Iccrea/attachments/Statuto%20Iccrea%20Banca_EN.pdf);
- (c) the Guarantor's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof (which are also available on www.iccreabanca.it);
- (d) the audited separate and consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2020 (which are also available at https://www.iccreabanca.it/DocumentiBilancio/Financial/Relazione%20e%20bilancio%20consolidato%20e%20individuale%20al%2031%20dicembre_EN.pdf);
- (e) the audited separate and consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2019 (which are also available at https://www.iccreabanca.it/DocumentiBilancio/Financial/Reports%20and%20consolidated%20and%20separate%20financial%20statements%20at%20December%2031,%202019_def.pdf);
- (f) the audited annual financial statements of the Guarantor as at and for the year ended 31 December 2020 (which are also available at https://www.iccreabanca.it/BilanciSPV/2020/Iccrea%20CB_Financial%20Statements%202020.pdf);
- (g) the audited annual financial statements of the Guarantor as at and for the year ended 31 December 2019 (which are also available at https://www.iccreabanca.it/BilanciSPV/2019/Iccrea%20CB_Financial%20Statements%202019.pdf);
- (h) the Issuer's press release headed "*Iccrea Cooperative Banking Group successfully passed ECB Comprehensive Assessment*" dated 9 July 2021 (which is also available at www.gruppoiccrea.it/Documenti_GBI/ComunicatoStampa/Press%20Release%20Comp%20Assess_09_07_21.pdf);

- (i) a copy of this Base Prospectus together with any supplement thereto, if any, or any further Base Prospectus;
- (j) any Final Terms relating to Covered Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Covered Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

Auditors

The Issuer's annual separate and consolidated financial statements as at 31 December 2019 and 31 December 2020 have been audited without qualification by Ernst & Young S.p.A. with its registered office at Via Lombardia, 31, 00187 Rome, Italy, independent accountants.

Ernst & Young S.p.A. is authorized and regulated by the Italian Ministry of Economy and Finance ("MEF") and registered on the special register of auditing firms held by the MEF.

Ernst & Young S.p.A.'s appointment has terminated with the audit of the Issuer's annual separate and consolidated financial statements as at 31 December 2020. At the Issuer's annual general meeting held in May 2021, the Issuer appointed Mazars Italia S.p.A as independent auditor.

Mazars Italia S.p.A is authorized and regulated by the MEF and registered on the special register of auditing firms held by the MEF.

Material Contracts

Save for the Transaction Documents described under section "*Overview of the Transaction Document*" of this Base Prospectus, neither the Issuer nor the Guarantor nor any of their respective subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may be reasonably expected to be material to their ability to meet their obligations to Covered Bondholders

Clearing of the Covered Bonds

The Covered Bonds have been accepted for clearance through Monte Titoli, Euroclear and Clearstream. The appropriate common code and the International Securities Identification Number in relation to the Covered Bonds of each Series or Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Covered Bonds for clearance together with any further appropriate information.

Interests of the Dealers

Certain of the Dealers and their affiliates, including parent companies, have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions (including the provision of loan facilities and/or securitisation transactions) and other related transactions with, and may perform advisory, financial and/or non-financial services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of business the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans and/or ABS securities or similar securities) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the 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 Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds 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 purpose of this paragraph the term "**affiliates**" also includes parent companies. The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue or offer of Covered Bonds under the Programme.

Websites

Except for the hyperlinks to information that is incorporated by reference in the section "*Information Incorporated by Reference*" above, any website included in this Base Prospectus (i) is for information purpose only, (ii) do not form part of this Base Prospectus and (iii) have not been scrutinized or approved by the competent authority in order to comply with Article 10(1) of Commission Delegated Regulation (EU) 2019/979.

Validity of base prospectus and base prospectus supplements

For the avoidance of doubt, the Issuer shall have no obligation to supplement this base prospectus after the end of its 12-month validity period.

BNP Paribas Branch Information

BNP Paribas Securities Services 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.

Further information on the international operating model of BNP Paribas Securities Services Luxembourg Branch may be provided upon request.

GLOSSARY

"Account Bank" means BNP Paribas Securities Services, Milan Branch, acting in its capacity as account bank or any such other depositary institution that may be appointed as such pursuant to the Cash Allocation Management and Payments Agreement.

"Accounts" means, collectively, the Expenses Account, the Transitory Collection Accounts, the Collection Account, the Cash Reserve Account, the Investment Account, the Payments Account, the Quota Capital Account, the Swap Collateral Accounts (if any), the Securities Account (if any) and any other account opened from time to time in connection with the Programme.

"Accrual Yield" has the meaning ascribed to such term in the relevant Final Terms;

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Sellers" means any other bank, other than the Sellers and belonging to the *Gruppo Cooperativo Bancario Iccrea*, which may transfer Eligible Assets and Integration Assets to the Guarantor by joining the Programme in accordance with the provisions set out in clause 19 (*Adesione dei Cedenti Aggiuntivi*) of the Master Loans Purchase Agreement and the other Transaction Documents.

"Additional Servicers" means any entity (other than the Servicers) belonging to the Gruppo Bancario Cooperativo Iccrea, which will be appointed as servicer in respect of the Eligible Assets and Integration Assets sold by it to the Guarantor, and that, for such purpose, shall accede to the Master Servicing Agreement and the other relevant Transaction Documents.

"Admitted States" means the States belonging to the European Economic Area and the Swiss Confederation

"Adjusted Outstanding Principal Balance" has the meaning ascribed to such term in clause 2.3(a) (*Nominal Value*) of the Cover Pool Management Agreement.

"Affected Assets" has the meaning ascribed to such term under clause 10 (*Pagamento dell'Indennizzo*) of the Warranty and Indemnity Agreement

"Agents" means each of the Account Bank, the Guarantor Calculation Agent, the Principal Paying Agent, the Operating Bank, any Swap Collateral Account Bank and the Guarantor Corporate Servicer.

"Amortisation Amount" means, on each Guarantor Payment Date, for each Seller, the amount agreed between the relevant Seller and Iccrea, in compliance with the Tests and the maximum limit of 15% of Integration Assets.

"Amortisation Test" means the test which will be carried out pursuant to the terms of the Cover Pool Management Agreement in order to ensure, *inter alia*, that, on each Test Calculation Date following the delivery of an Issuer Default Notice (but prior to the service of a Guarantor Default Notice), the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the aggregate Outstanding Principal Amount of each Series of Covered Bonds as calculated on the relevant Test Calculation Date.

"Amortisation Test Aggregate Loan Amount" has the meaning ascribed to such term in clause 3.2 (*Amortisation Test Aggregate Loan Amount*) of the Cover Pool Management Agreement.

"Amortisation Test Outstanding Principal Balance" has the meaning ascribed to such term in clause 3.2 (*Amortisation Test Aggregate Loan Amount*) of the Cover Pool Management Agreement.

"Amortising Covered Bonds" means a Covered Bond specified as such in the relevant Final Terms.

"Arrangers" means Barclays Bank Ireland PLC and Iccrea Banca.

"Article 74 Event" means, in respect of the Issuer, the issue of a resolution pursuant to Article 74 of the Consolidated Banking Act.

"Article 74 Event Cure Notice" means the notice to be served by the Representative of the Covered Bondholders to the Issuer, the Guarantor and the Asset Monitor informing that an Article 74 Event has been revoked.

"Asset Monitor" means Deloitte & Touche S.p.A, acting as such pursuant to the engagement letter entered into with the Issuer on or about 15 July 2021 and the Asset Monitor Agreement, as amended and restated from time to time.

"Asset Monitor Agreement" means the asset monitor agreement entered into on or about 15 July 2021 between, *inter alios*, the Asset Monitor and the Issuer, as amended and restated from time to time.

"Asset Monitor Report" means the report to be prepared and delivered by the Asset Monitor to the Guarantor, the Guarantor Calculation Agent, the Representative of the Covered Bondholders and the Issuer in accordance with the Asset Monitor Agreement.

"Asset Percentage" has the meaning ascribed to such term in clause 2.3(b) (*Asset Percentage*) of the Cover Pool Management Agreement.

"Asset Swap Agreement" means any swap or other hedging agreements, if any, aimed at hedging the interest rate risk and/or if applicable the currency risk related to each Portfolio, that may be entered into between the Guarantor and the relevant Asset Swap Provider on or about each Transfer Date, as amended and restated from time to time.

"Asset Swap Provider" means any entity acting as asset swap provider to the Guarantor under an Asset Swap Agreement.

"Back-Up Servicer" means the entity which may be appointed by the Guarantor, with the approval by Representative of the Covered Bondholders, pursuant to clause 16 (*Back-Up Servicer*) of the Master Servicing Agreement.

"Bank of Italy Regulations" means the supervisory instructions of the Bank of Italy relating to covered bonds (*Obbligazioni Bancarie Garantite*) under Part III, Chapter 3, of the Circular No. 285 dated 17 December 2013, as subsequently amended and supplemented, containing the "*Disposizioni di vigilanza per le banche*".

"Bankruptcy Law" means Royal Decree No. 267 of 16 March 1942, as amended, supplemented and/or restated from time to time.

"Base Interest" has the meaning ascribed to such term under clause 5.2 of each Subordinated Loan Agreement.

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention" in relation to any particular date, has the meaning ascribed to such term in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought back to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Amount" has the meaning ascribed to such term in the relevant Final Terms.

"Cash Allocation, Management and Payments Agreement" means the cash allocation management and payments agreement entered into on or about 15 July 2021 between, *inter alios*, the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Guarantor Calculation Agent, the Test Calculation Agent, the Operating Bank and the Account Bank, as amended and restated from time to time.

"Cash Reserve Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT52H0347901600000802443102) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"Cash Reserve Amount" means (a) an amount, determined on or prior to each Guarantor Calculation Date, sufficient to ensure that the Guarantor would have sufficient funds set aside and readily available to pay in the immediately following six months starting from the relevant Guarantor Payment Date (i) interest amounts due in relation to all outstanding series of Covered Bonds, plus (ii) all costs and expenses ranking under items (i) to (iii) of the Pre-Issuer Event of Default Interest Priority of Payments; or (b) any other higher amount that may be required by the relevant implementing provisions of EU Directive on Covered Bonds and communicated by the Issuer to the Guarantor Calculation Agent before each relevant Guarantor Calculation Date.

"Civil Code" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942.

"Clearstream" means Clearstream S.A..

"Collateral Security" means any security (including any loan mortgage insurance and excluding Mortgages) granted to any Seller by any Debtor in order to guarantee or secure the payment and/or repayment of any amount due under the relevant Mortgages Loan Agreements or the Relevant Public Entity Securities Documents.

"Collection Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT75G0347901600000802443101) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"Collection Period" means each quarterly period, starting on the first day (included) of January, April, July and October and ending on the last day (included) of March, June, September and December.

"Collections" means all amounts received or recovered by the Master Servicer and/or each Servicer in respect of the Receivables and/or the Public Entity Securities comprised in the Cover Pool.

"Commercial Mortgage Loan" (*crediti ipotecari commerciali*) means commercial mortgage loans whose ratio between (i) the outstanding principal amount and (ii) the value of the mortgaged property, pursuant to article 2, paragraph 1 of the Decree 310, is equal to or lower than 60 per cent.

"Commingling Amount" means an amount calculated by the Issuer equal to the maximum expected aggregate amount of monthly collections and recoveries calculated in respect of the next 12 month and considering a 5 per cent. constant prepayment ratio per annum, or any other amount designated as such by the Issuer.

"Common Criteria" means the criteria listed in Schedule 1, Part I (*Criteri Comuni per la selezione ed identificazione dei Crediti*) and Part II (*Criteri per la selezione dei Titoli di Enti Pubblici*) to the Master Loans Purchase Agreement.

"Conditions" means the terms and conditions of the Covered Bonds and **"Condition"** means a clause of them.

"CONSOB" means *Commissione Nazionale per le Società e la Borsa*.

"Consolidated Banking Act" means Legislative Decree No. 385 of 1 September 1993, as amended from time to time.

"Corporate Services Agreement" means the corporate services agreement entered into on or about 15 July 2021, between the Guarantor Corporate Servicer and the Guarantor, pursuant to which the Guarantor Corporate Servicer will provide certain administration services to the Guarantor, as amended and restated from time to time.

"Cover Pool" means the cover pool constituted by, collectively, Eligible Assets and Integration Assets from time to time transferred by the Sellers to the Guarantor pursuant to the Master Loans Purchase Agreement in accordance with the provisions of the Law 130, the Decree 310 and the Bank of Italy Regulations.

"Cover Pool Management Agreement" means the cover pool management agreement entered into on or about 15 July 2021 between the Issuer, the Guarantor, the Sellers, the Representative of the Covered Bondholders, the Test Calculation Agent and the Asset Monitor, as amended and restated from time to time.

"Covered Bonds" means any and all the covered bonds (*obbligazioni bancarie garantite*) issued or to be issued by the Issuer pursuant to the terms and subject to the conditions of the Programme Agreement.

"Covered Bond Guarantee" means the guarantee issued by the Guarantor for the purpose of guaranteeing the payments due by the Issuer in respect of the Covered Bonds and the Other Creditors, in accordance with the provisions of the Law 130, Decree 310 and the Bank of Italy Regulations.

"Covered Bond Instalment Amount" means the principal amount of a Series of Covered Bonds to be redeemed on a Covered Bond Instalment Date as specified in the relevant Final Terms.

"Covered Bond Instalment Date" means a date on which a principal instalment is due on a Series of Covered Bonds as specified in the relevant Final Terms.

"Covered Bond Instalment Extension Determination Date" means, with respect to any Covered Bond Instalment Date (if applicable), the date falling 15 Business Days after such Covered Bond Instalment Date.

"Covered Bondholders" means the holders from time to time of Covered Bonds, title to which is evidenced in the manner described in Condition 3 (*Form, Denomination and Title*).

"CRA Regulation" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time.

"Credit and Collection Policies" means the procedures for the management, collection and recovery of Receivables and/or Public Entity Securities attached as schedule 1 (*Procedura di Riscossione*) to the Master Servicing Agreement.

"Criteria" means, collectively, the Common Criteria and the Specific Criteria.

"CRR" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended from time to time.

"CSSF" means the *Commission de Surveillance du Secteur Financier*.

"Data Protection Legislation" means the Privacy Code, the GDPR, the national implementation legislation and any other legislative administrative or regulatory act or measure in force from time to time during the term of this Agreement.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual"** or **"Actual/Actual (ISDA)"** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (c) If **"Actual/365 (Fixed)"** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (d) If **"Actual/360"** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) If **"30/360"**, **"360/360"** or **"Bond Basis"** is specified, the number of days in the Calculation Period in respect of which payment is being made 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 Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (f) If "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made 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 Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 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 Calculation Period, unless such number would be 31, in which case D₂ will be 30.

- (g) If "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made 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 Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 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 Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Dealers**" means each of Barclays Bank Ireland PLC and any other entity which may be nominated as such by the Issuer upon execution of a letter in the terms or substantially in the terms set out in Schedule 6 (*Form of Dealer Accession Letter*) to the Programme Agreement on any other terms acceptable to the Issuer and such entity.

"**Debtor**" means (i) in relation to the Receivables, any borrower and any other person, other than a mortgagor, who entered into a Mortgage Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Mortgage Loan, as a consequence, *inter alia*, of having granted any Collateral Security or having assumed the borrower's obligation under an *accollo*, or otherwise; and (ii) in relation to the Public Entity Securities, any entity, also different from the issuer of the Public Entity Security, who is liable for the payment of amounts due, as principal and interest, in respect of the Public Entity Security.

"**Decree 239**" means Italian Legislative Decree number 239 of 1 April 1996, as amended from time to time.

"**Decree 310**" means the ministerial decree No. 310 of 14 December 2006 issued by the Ministry of the Economy and Finance, as amended from time to time.

"**Decree 461**" means the Legislative Decree number 461 of 21 November 1997.

"**Deed of Charge**" means the English law deed of charge which may be entered into between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors) in order to charge the rights arising under any Swap Collateral Accounts (if any) in favour of the Covered Bondholders and the Other Creditors, as amended and restated from time to time.

"**Deed of Pledge**" means the Italian law deed of pledge entered into on or about 15 July 2021 between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors), as amended and restated from time to time.

"**Defaulted Loans**" means any Mortgage Loan in relation to which there are one or more Defaulted Receivables.

"**Defaulted Receivables**" means the Receivables classified as such in accordance with the Credit and Collection Policies and any applicable regulations including regulations of the Bank of Italy.

"**Defaulting Party**" has the meaning ascribed to such term in the relevant Swap Agreement.

"**Delinquent Loans**" means any Mortgage Loan in relation to which there are one or more Delinquent Receivables.

"**Delinquent Receivable**" means any Receivable arising from Mortgage Loan Agreements included in the Cover Pool in respect of which there are one or more Instalments due and not paid by the relevant Debtor and which has not been classified as Defaulted Receivable.

"Determination Date" has the meaning ascribed to such term in the applicable Final Terms.

"Drawdown Date" means the date of receipt of the Acceptance by the Guarantor, or such other date as provided in the Drawdown Request.

"Drawdown Request" means the notice sent by a Subordinated Loan Provider to the Guarantor pursuant to clause 4.1 of the Subordinated Loan Agreement, substantially in the form attached as Schedule 1 of the Subordinated Loan Agreement.

"Earliest Maturing Covered Bonds" means, at any time, the Series of Covered Bonds that has or have the earliest Maturity Date (if the relevant Series of Covered Bonds is not subject to an Extended Maturity Date) or Extended Maturity Date (if the relevant Series of Covered Bonds is subject to an Extended Maturity Date) as specified in the relevant Final Terms.

"Early Redemption Amount" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

"Early Termination Amount" means, in respect of any Series of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

"Effective Date" means with reference to each Portfolio, the date indicated by the Guarantor in the relevant Transfer Proposal.

"Eligible Assets" means collectively the Receivables and the Public Entity Securities.

"Eligible Institution" means any bank organised under the laws of any country which is a member of the European Union or of the United Kingdom or of the United States (to the extent that United States are a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach),

- (i) whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "P-3" by Moody's and whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "Baa3" by Moody's, or
- (ii) whose obligations are guaranteed (in compliance with the relevant criteria of Moody's on the guarantee) by an entity whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "P-3" by Moody's and whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "Baa3" by Moody's, or
- (iii) any other rating level from time to time provided for in the Rating Agencies' criteria,

provided however that any such bank qualifies for the "credit quality step 1" pursuant to Article 129, let. (c) of the CRR unless (a) it is an entity in the European Union and (b) the exposure *vis-à-vis* such bank have a maturity not exceeding 100 (one-hundred) days, in which case it may qualify for the "credit quality step 2" pursuant to Article 129, let. (c) of the CRR.

"Eligible Investment" means any Eligible Assets or Top-up Assets which meet the following requirements:

- (i) any Euro denominated security rated at least "P-3" or "Baa3" by Moody's where they have a maturity of up to 30 calendar days or, if greater than 30 calendar days, which may be liquidated without loss within 30 days of a downgrade below "P-3" or "Baa3" by Moody's, and/or
- (ii) any Euro denominated security rated at least "P-2" or "Baa2" by Moody's, where they have a maturity between 30 and 90 calendar days;
- (iii) any Euro denominated security rated at least "P-2" or "A3" by Moody's, where they have a maturity between 90 and 180 calendar days;

provided that any such investments mature or are disposable at no loss on or before the relevant Eligible Investment Maturity Date, and

provided that the relevant exposure qualifies for the "credit quality step 1" pursuant to Article 129, let. (c) of the CRR or, in case of exposure vis-à-vis an entity in the European Union which has a maturity not exceeding 100 (one-hundred) days, it may qualify for "credit quality step 2" pursuant to Article 129, let. (c) of the CRR.

"Eligible Investment Maturity Date" means two Business Days before each Guarantor Payment Date.

"EU Directive on Covered Bonds" means Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.

"EURIBOR" means the Euro-Zone Inter-Bank offered rate for Euro deposits, as determined from time to time pursuant to the Transaction Documents.

"Euro", **"€"** and **"EUR"** refer to the single currency of member countries of the European Union which adopt the single currency introduced in accordance with the treaty establishing the European Community.

"Euroclear" means Euroclear Bank S.A./N.V..

"European Economic Area" means the region comprised of member states of the European Union as well as Iceland, Liechtenstein and Norway.

"Excess Assets" means, in relation to the Cover Pool and on each Guarantor Calculation Date, those Receivables and, if transferred to the Guarantor, Public Entity Securities the aggregate Outstanding Principal of which is equal to: (i) any amount by reason of which the Portfolios comprised in the Cover Pool are in excess (as nominal value, interest coverage and net present value) of any Eligible Assets necessary to satisfy all Tests on the relevant Guarantor Calculation Date; minus (ii) the aggregate Outstanding Principal of those Receivables and, if transferred to the Guarantor, Public Entity Securities indicated by the Servicer as Affected Assets pursuant to the provisions of clause 10.1 (*Payment of Indemnity*) of the Warranty and Indemnity Agreement.

"Excess Proceeds" means the amounts received by the Guarantor as a result of any enforcement taken vis-à-vis the Issuer also in accordance with Article 4, Paragraph 3, of the Decree 310.

"Expenses" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Covered Bondholders and the Other Creditors) arising in connection with the Programme, and required to be paid (as determined in accordance with the Corporate Services Agreement) in order to preserve the existence of the Guarantor or to comply with applicable laws and legislation.

"Expenses Account" means the Euro denominated account established in the name of the Guarantor with the Operating Bank, (IBAN: IT22A0800003200000800031344), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"Expiry Date" means the date falling one year and one day after the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their terms and conditions.

"Extended Instalment Date" means the date on which a principal instalment in relation to a Series of Covered Bonds becomes due and payable pursuant to the extension of the relevant Covered Bond Instalment Date as specified in the relevant Final Terms.

"Extended Maturity Date" means, in relation to any Series of Covered Bonds, the date (if any) specified as such in the relevant Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred pursuant to Condition 9(b) (*Extension of maturity*).

"Extension Determination Date" means, with respect to any Series of Covered Bonds, the date falling 7 (seven) Business Days after (and including) the Maturity Date of such Series of Covered Bonds.

"Extraordinary Resolution" has the meaning ascribed to such term in the Rules of the Organisation of the Covered Bondholders attached to the Conditions.

"Final Terms" means, in relation to any issue of any Series of Covered Bonds, the relevant terms contained in the applicable Transaction Documents and, in case of any Series of Covered Bonds to be admitted to listing, the final terms submitted to the appropriate listing authority on or before the Issue Date of the applicable Series of Covered Bonds.

"Final Maturity Date" means the date on which all the Series of Covered Bond are redeemed in full or cancelled.

"Final Redemption Amount" means, with respect to a Series or Tranche of Covered Bonds, the amount, as specified in the applicable Final Terms, representing the amount due (subject to the applicable grace period) in respect of the relevant Series or Tranche of Covered Bond.

"Financial Law " means Legislative Decree number 58 of 24 February 1998, as amended from time to time.

"First Interest Payment Date" means the date specified in the relevant Final Terms.

"First Interest Period" means, in relation to any Subordinated Loan, the period starting on the relevant Drawdown Date and ending on the first Guarantor Payment Date.

"First Issue Date" means the date of issuance of the first Series of Covered Bonds.

"Fixed Coupon Amount" has the meaning ascribed to such term in the relevant Final Terms.

"Fixed Rate Covered Bond" means a Covered Bond specified as such in the relevant Final Terms.

"Floating Rate Covered Bond" means a Covered Bond specified as such in the relevant Final Terms.

"FSMA" means the Financial Service and Markets Act 2000.

"GDPR" means Regulation (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016 (on the protection of individuals with regard to the processing of personal data and on the free movement of such data) and its implementing legislation.

"Guaranteed Amounts" means the amounts due from time to time from the Issuer to (i) the Covered Bondholders with respect to each Series of Covered Bonds (excluding any additional amounts payable to the Covered Bondholders under Condition 11(a) (*Gross up by Issuer*)) and (ii) the Other Creditors pursuant to the relevant Transaction Documents.

"Guarantee Priority of Payments" means the order of priority pursuant to which the Guarantor Available Funds shall be applied, on each Guarantor Payment Date following the delivery of an Issuer Default Notice, but prior to the delivery of a Guarantor Default Notice, in accordance with the terms of the Intercreditor Agreement.

"Guarantor" means Iccrea Covered Bond S.r.l., acting in its capacity as guarantor under the Covered Bond Guarantee.

"Guarantor Available Funds" means, collectively, the Interest Available Funds and the Principal Available Funds.

"Guarantor Calculation Agent" means Banca Finanziaria Internazionale S.p.A., acting as guarantor calculation agent, or any such other entity as may be appointed pursuant to the Cash Allocation, Management and Payments Agreement.

"Guarantor Calculation Date" means the 3rd (third) calendar day of May, August, November and February (or, if such day is not a Business Day, then the immediately preceding Business Day).

"Guarantor Corporate Servicer" means Banca Finanziaria Internazionale S.p.A., acting in its capacity as guarantor corporate servicer of the Guarantor pursuant to the Corporate Services Agreement.

"Guarantor Default Notice" means the notice to be delivered by the Representative of the Covered Bondholders to the Guarantor upon the occurrence of a Guarantor Event of Default.

"Guarantor Event of Default" means any of the following events or circumstances:

- (a) *Non-payment*: following the service of an Issuer Default Notice, the Guarantor fails to pay any interest and/or principal due and payable under the Covered Bond Guarantee on the relevant Interest Payment Date and/or at the Extended Maturity Date and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of amounts of principal, as the case may be; or
- (b) *Breach of other obligations*: a material breach by the Guarantor of any obligation under the Transaction Documents (other than any obligation pursuant to paragraph (a)(*Non-Payment*) above) occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor (except where, in the opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required); or
- (c) *Insolvency*: an *Insolvency* Event occurs with respect to the Guarantor; or
- (d) *Breach of Amortisation Test*: following the service of an Issuer Event Default Notice (provided that, in case the Issuer Event of Default consist of an Article 74 Event, the Representative of the Covered Bondholders has not delivered an Article 74 Event Cure Notice) the Amortisation Test is breached and is not remedied by the end of the Test Grace Period;
- (e) *Invalidity of the Covered Bond Guarantee*: the Covered Bond Guarantee is not in full force and effect or it is claimed by the Guarantor not to be in full force and effect.

"Guarantor Payment Date" means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 6th calendar day of May, August, November and February of each year or, if such day is not a Business Day, the immediately following Business Day; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Covered Bondholders in accordance with the Post-Enforcement Priority of Payments, the relevant Final Terms and the Intercreditor Agreement; the first Guarantor Payment Date will fall on 8 November 2021.

"Guarantor Payment Period" has the meaning ascribed to such term in clause 6.5(c) (iv) of the Intercreditor Agreement.

"Guarantor's Rights" means the Guarantor's rights under the Transaction Documents.

"Iccrea Banca" or **"Issuer"** means Iccrea Banca S.p.A. - Istituto Centrale del Credito Cooperativo, parent company of the Iccrea Cooperative Banking Group registered in the Register of Banking Groups, a bank incorporated as a joint-stock company (società per azioni) under Italian law, with registered office at Via Lucrezia Romana, 41/47 - 00178, tax code and registration with the Register of Companies of Rome under number 04774801007, registered under number 5251 in the Register of Banks kept at the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act, ABI 8000, a company participating in the VAT Group Gruppo Bancario Cooperativo Iccrea, VAT no. 15240741007, which acts as Issuer in the context of the Programme.

"IFRS" means the International Financial Reporting and Accounting Standards issued by the International Accounting Standard Board (IASB).

"Individual Purchase Price" means, with respect to each Receivable or Public Entity Security transferred pursuant to the Master Loan Purchase Agreements: (i) the most recent book value (*ultimo valore di iscrizione in bilancio*) of the relevant Receivable or Public Entity Security minus all principal and interest collections (with respect only to the amounts of interest which constitute the most recent book value) received by the Seller with respect to the relevant Receivables or Public Entity Securities up to the relevant Effective Date and increased of the amount of interest accrued and not yet collected on such Receivables or Public Entity Securities as at the relevant Effective Date; or, at the option of the relevant Seller (ii) such other value, as indicated by the relevant Seller in the Transfer Notice, as will allow the Seller to consider each duty or tax due as if the relevant Receivables or Public Entity Securities had not been transferred for the purpose of article 7-bis, sub-paragraph 7, of the Law 130 and on which a certificate of estimate has been issued by an auditing firm certifying that there is no evidence that the valuation criteria applied for the determination of the transfer price of the Receivables or the Public Entity Securities do not comply with those that the relevant Seller is required to observe in the preparation of the annual financial statements.

"Initial Portfolio" means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from each Seller pursuant to the relevant Transfer Agreement.

"Insolvency Event" means in respect of any company, entity, or corporation that:

- (i) such company, entity or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordi di ristrutturazione*" and (other than in respect of the Issuer) "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by

the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such application is not being disputed in good faith with a reasonable prospect of success; or
- (iii) such company, entity or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or
- (iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company, entity or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganization or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders); or
- (v) such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"Instalment" means (i) with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment and (ii) with respect to each Public Entity Security, where applicable, each instalment due from the relevant Debtor under the Relevant Public Entity Securities Documents and which consists of an Interest Instalment and a Principal Instalment.

"Integration Assets" means, in accordance with article 2, sub-paragraph 3.2 and 3.3 of Decree 310, each of the following assets:

- (i) deposits held with banks which (a) have their registered office in the European Economic Area or Switzerland or in a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach and (b) qualify as Eligible Institutions; and

- (ii) securities issued by the banks indicated in item (i) above, which have a residual maturity not exceeding one year.

"Intercreditor Agreement" means the intercreditor agreement entered into on or about 15 July 2021 between, *inter alios*, the Guarantor and the Other Creditors, as amended and restated from time to time.

"Interest Amount" means, in relation to any Series of Covered Bonds and an Interest Period, the amount of interest payable in respect of that Series for that Interest Period.

"Interest Available Funds" means in respect of any Guarantor Calculation Date, the aggregate of:

- (a) interest collected by the Master Servicer or the Servicers in respect of the Cover Pool and credited into the Collection Account, during the immediately preceding Collection Period;
- (b) all recoveries in the nature of interest received by the Master Servicer or the Servicers and credited to the Collection Account, during the immediately preceding Collection Period;
- (c) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;
- (d) any payment received on or immediately prior to such Guarantor Payment Date from any Swap Provider, if any, other than any Swap Collateral Excluded Amounts;
- (e) all interest amounts received from any Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (f) the Cash Reserve Amount standing to the credit of the Cash Reserve Account;
- (g) all amounts on account of interest, premium or other profit deriving from the Eligible Investments up to the Eligible Investments Maturity Date immediately preceding the relevant Guarantor Payment Date; and
- (h) any amount (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Transaction Documents.

"Interest Basis" has the meaning ascribed to such term in the relevant Final Terms.

"Interest Commencement Date" means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

"Interest Determination Date" has the meaning ascribed to such term in the relevant Final Terms.

"Interest Coverage Test" has the meaning ascribed to such term in clause 2.5 (*Interest Coverage Test*) of the Cover Pool Management Agreement.

"Interest Instalment" means the interest component of each Instalment.

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (iii) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (iv) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at

such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

"Investment Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT98F0347901600000802443100) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"Investors Report Date" means the Business Day following each Guarantor Payment Date.

"Investors Report" means the report to be prepared and delivered by the Guarantor Calculation Agent on or prior to the Investors Report Date, to the Issuer, the Guarantor, the Sellers, the Representative of the Covered Bondholders, the Rating Agencies, the Master Servicer, the Servicers and the Principal Paying Agent, setting out certain information with respect to the Covered Bond and the Cover Pool.

"ISDA Definitions" means the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc..

"Issue Date" has the meaning ascribed to such term in the relevant Final Terms.

"Issuer Default Notice" means the notice to be delivered by the Representative of the Covered Bondholders to the Issuer and the Guarantor upon the occurrence of an Issuer Event of Default.

"Issuer Downgrading Event" has the meaning ascribed to such term in the Master Definitions Agreement.

"Issuer Event of Default" means any of the following events and circumstances:

- (a) *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and payable on any Series of Covered Bonds at their relevant Interest Payment Date and/or at the Final Maturity Date, and such breach is not remedied within the next 15 Business Days, in case of amounts of interest, or 20 Business Days (other than in case of non-payment at the Maturity Date), in case of amounts of principal, as the case may be; or
- (b) *Breach of other obligation*: a material breach by the Issuer of any obligation under the Transaction Documents (other than any obligation pursuant to paragraph (a)(Non-Payment) above or (f)(Breach of Statutory Tests) below) occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Article 74 Event*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or
- (e) *Cessation of business*: the Issuer ceases to carry on its primary business (because of the loss of its banking licence or otherwise); or
- (f) *Breach of Statutory Tests*: any Statutory Test is breached and is not remedied by the end of the relevant Test Grace Period.

"Latest Valuation" means, at any time with respect to any Real Estate Asset, the value given to the relevant Real Estate Asset by the most recent valuation (to be performed in accordance with the requirements provided for under the Prudential Regulations) addressed to the Sellers or obtained from an independently maintained valuation model, acceptable to reasonable and prudent institutional mortgage lenders in Italy.

"Law 130" means Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

"Liabilities" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any VAT or similar tax charged or chargeable in respect of any sum referred in this definition.

"Liability Swap Agreement" means any swap or other hedging agreements, if any, aimed at hedging certain interest rate and/or, if applicable, currency exposures in relation to the Guarantor's obligations under the Covered Bonds, that may be entered into between the Guarantor and the relevant Liability Swap Provider on or about each Issue Date, as amended and restated from time to time.

"Liability Swap Provider" means any entity acting as liability swap provider to the Guarantor pursuant to a Liability Swap Agreement.

"Loans" means any Mortgage Loan which is sold and assigned by each Seller to the Guarantor from time to time under the terms of the Master Loans Purchase Agreement.

"Luxembourg Listing Agent" means BNP Paribas Securities Services, Luxembourg Branch.

"Mandate Agreement" means the mandate agreement entered into on or about 15 July 2021 between the Representative of the Covered Bondholders and the Guarantor, as amended and restated from time to time.

"Margin" has the meaning ascribed to such term in the relevant Final Terms.

"Master Definitions Agreement" means the master definitions agreement entered into on or about 15 July 2021 between, the Issuer, the Guarantor, the Account Bank, the Asset Monitor, the Quotaholders, the Quotaholder Corporate Servicer, the Test Calculation Agent, the Guarantor Calculation Agent, the Principal Paying Agent, the Operating Bank, the Swap Collateral Account Bank (if any), the Guarantor Corporate Servicer, the Sellers, the Subordinated Loan Provider, the Master Servicer, the Dealer, the Arrangers, the Servicers and the Representative of the Covered Bondholders, as amended and restated from time to time.

"Master Loans Purchase Agreement" means the master loans purchase agreement entered into on 28 June 2021 between the Guarantor and the Sellers, as amended and restated from time to time.

"Master Servicer" means Iccrea Banca, in its capacity as such pursuant to the Master Servicing Agreement.

"Master Servicing Agreement" means the master servicing agreement entered into on or about 28 June 2021 between the Guarantor, the Issuer, the Master Servicer and the Servicers, as amended and restated from time to time.

"Maturity Date" has the meaning ascribed to such term in the relevant Final Terms.

"Maximum Redemption Amount" has the meaning ascribed to such term in the relevant Final Terms.

"Minimum Redemption Amount" has the meaning ascribed to such term in the relevant Final Terms.

"Member State" means a member State of the European Union.

"Monte Titoli" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milano, Italy.

"Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (as *intermediari aderenti*) in accordance with Article 83-*quater* of the Financial Law.

"Moody's" means Moody's France SAS.

"Mortgage Loan Agreement" means any Residential Mortgage Loan Agreement or Commercial Mortgage Loan Agreement, as the case may be, out of which the Receivables arise.

"Mortgage Loans" means collectively the Residential Mortgage Loans and the Commercial Mortgage Loan.

"Mortgages" means the mortgage security interests (*ipoteche*) created on the Real Estate Assets or the Commercial Assets, as the case may be, pursuant to Italian law in order to secure claims in respect of the Receivables.

"Net Present Value Test" has the meaning ascribed to such term in clause 2.2(b) (*Net Present Value Test*) of the Cover Pool Management Agreement.

"Net Present Value" has the meaning ascribed to such term in clause 2.4 (*Net Present Value Test*) of the Cover Pool Management Agreement.

"New Portfolio" means any portfolio (other than the Initial Portfolio), comprising Eligible Assets and Integration Assets, which may be purchased by the Guarantor from any Seller pursuant to the terms and subject to the conditions of the relevant Transfer Agreement.

"Nominal Value" has the meaning ascribed to such term in clause 2.3(a) (*Nominal Value*) of the Cover Pool Management Agreement.

"Nominal Value Test" has the meaning ascribed to such term in clause 2.2(a) (*Nominal Value Test*) of the Cover Pool Management Agreement.

"Official Gazette of the Republic of Italy" or **"Official Gazette"** means the *Gazzetta Ufficiale della Repubblica Italiana*.

"Operating Bank" means Iccrea Banca, acting in its capacity as operating bank pursuant to the Cash, Allocation, Management and Payments Agreement or any such other depository institution as may be appointed in accordance with such Cash, Allocation, Management and Payments Agreement.

"Optional Redemption Amount (Call)" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

"Optional Redemption Amount (Put)" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

"Optional Redemption Date (Call)" has the meaning ascribed to such term in the relevant Final Terms.

"Optional Redemption Date (Put)" has the meaning ascribed to such term in the relevant Final Terms.

"Organisation of the Covered Bondholders" means the association of the Covered Bondholders, organised pursuant to the Rules of the Organisation of the Covered Bondholders.

"Other Creditors" means the Sellers, the Master Servicer, the Servicers, the Representative of the Covered Bondholders, the Guarantor Calculation Agent, the Test Calculation Agent, the Guarantor Corporate Servicer, the Principal Paying Agent, the Account Bank, the Operating Bank, the Asset Monitor, the Swap Providers (if any), the Swap Collateral Account Bank, the Quotaholder Corporate Servicer and any other creditors which may, from time to time, be identified as such in the context of the Programme.

"Outstanding Principal" means, on any given date and in relation to any Receivable or Public Entity Securities, the sum of all (i) Principal Instalments due but unpaid at such date; and (ii) the Principal Instalments not yet due at such date.

"Outstanding Principal Amount" means, on any date in respect of any Series of Covered Bonds or, where applicable, in respect of all Series of Covered Bonds:

- (i) the principal amount of such Series or, where applicable, all such Series upon issue; *minus*
- (ii) the aggregate amount of all principal which has been repaid prior to such date in respect of such Series or, where applicable, all such Series and, solely for the purposes of Title II (*Meetings of the Covered Bondholders*) of the Rules of the Organisation of Covered Bondholders, the principal amount of any Covered Bonds in such Series of (where applicable) all such Series held by, or by any Person for the benefit of, the Issuer or the Guarantor.

"Outstanding Principal Balance" means, on any date, in relation to a loan, a bond or any other asset included in the Cover Pool, the aggregate nominal outstanding principal amount of such loan, bond or asset at such date.

"Paying Agents" means the Principal Paying Agent and each other paying agent appointed from time to time under the terms of the Cash Allocation, Management and Payments Agreement.

"Payment Business Day" means a day on which banks in the relevant Place of Payment are open for payment of amounts due in respect of debt securities and for dealings in foreign currencies and any day which is:

- (i) if the currency of payment is Euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Payments Account" means the euro denominated account established in the name of the Guarantor with the Account Bank (IBAN: IT29I0347901600000802443103) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"Payments Report" means the report to be prepared and delivered by the Guarantor Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement on each Guarantor Calculation Date.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"Place of Payment" means, in respect of any Covered Bondholders, the place at which such Covered Bondholder receives payment of interest or principal on the Covered Bonds.

"Portfolio" means, in respect of each Seller, collectively, the Initial Portfolio and any New Portfolios which has been purchased and will be purchased by the Guarantor pursuant to the relevant Transfer Agreement it being understood that the Portfolio of each Seller will include other portfolios of Eligible Assets transferred to the Guarantor from other sellers merged into the relevant Seller.

"Portfolio Manager" means the entity appointed as such in accordance with clause 5.6 of the Cover Pool Management Agreement.

"Post-Enforcement Priority of Payments" means the order of priority pursuant to which the Guarantor Available Funds shall be applied on each Guarantor Payment Date following the delivery of a Guarantor Default Notice, in accordance with the Intercreditor Agreement.

"Potential Set-Off Amount" means (a) if no Issuer Downgrading Event has occurred or is outstanding an amount equal to 0 (zero) or (b) if an Issuer Downgrading Event has occurred and is outstanding, an amount of the Cover Pool that could potentially be set-off by the relevant Debtors against any credit owed by any such Debtor towards the relevant Seller as calculated by the Test Calculation Agent.

"Pre-Issuer Event of Default Interest Priority of Payments" means the order of priority pursuant to which the Interest Available Funds shall be applied on each Guarantor Payment Date prior to the delivery of an Issuer Default Notice in accordance with the Intercreditor Agreement.

"Pre-Issuer Event of Default Principal Priority of Payments" means the order of priority pursuant to which the Principal Available Funds shall be applied on each Guarantor Payment Date prior to the delivery of an Issuer Default Notice in accordance with the Intercreditor Agreement.

"Premium" means the amount indicated by the Issuer for each Seller, and calculated by the Guarantor Calculation Agent as provided in Schedule 5 of the Subordinated Loan Agreement.

"Principal Available Funds" means in respect of any Guarantor Calculation Date, the aggregate of:

- (i) all principal amounts collected by the Master Servicer or any Servicer in respect of the Cover Pool and credited to the Collection Account net of the amounts applied to purchase Eligible Assets and Integration Assets, during the immediately preceding Collection Period;
- (ii) all other recoveries in the nature of principal received by the Master Servicer or any Servicer and credited to the Collection Account;
- (iii) all principal amounts received from each Seller by the Guarantor pursuant to the Master Loans Purchase Agreement;
- (iv) the proceeds of any disposal of Eligible Assets or Integration Assets;
- (v) any swap principal payable under the Swap Agreements, if any; and
- (vi) all the amounts allocated pursuant to item *Sixth* of the Pre-Issuer Event of Default Interest Priority of Payments.

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation)

by the Principal Paying Agent; and

- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent.

"Principal Instalment" means the principal component of each Instalment.

"Principal Paying Agent" means BNP Paribas Securities Services, Milan Branch, acting in its capacity as principal paying agent, or any such other entity as may be appointed pursuant to the Cash Allocation, Management and Payments Agreement.

"Priority of Payments" means each of the Pre-Issuer Event of Default Interest Priority of Payments, the Pre-Issuer Event of Default Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments, each as set out and defined in the Intercreditor Agreement.

"Privacy Code" means the "*Codice in materia di protezione dei dati personali*" provided for in the Italian Legislative Decree number 196 of 30 June 2003, as subsequently amended, modified or supplemented.

"Programme" means the programme for the issuance of each Series of Covered Bonds (*obbligazioni bancarie garantite*) by the Issuer in accordance with article 7-bis of the Law 130.

"Programme Agreement" means the programme agreement entered into on or about 15 July 2021 between, *inter alios*, the Guarantor, the Sellers, the Issuer, the Representative of the Covered Bondholders and the Dealers, as amended and restated from time to time.

"Programme Resolution" has the meaning given in the Rules of the Organisation of Covered Bondholders attached to the Conditions.

"Prospectus Regulation" means Regulation (EU) 2017/1129, as amended from time to time.

"Prudential Regulations" means the prudential regulations for banks issued by the Bank of Italy on 17 December 2013 with Circular No. 285 (*Disposizioni di vigilanza per le banche*).

"Public Entity Securities" means pursuant to article 2, sub-paragraph 1, letter (c) of Decree 310, any securities issued by, or which have benefit of a guarantee eligible for credit risk mitigation granted by, Public Entities.

"Put Option Notice" means a notice in the form attached to the Cash Allocation Management and Payments Agreement which must be delivered to the Principal Paying Agent by any Covered Bondholder wanting to exercise a right to redeem Covered Bonds at the option of the Covered Bondholder;

"Put Option Receipt" means a receipt issued by the Principal Paying Agent to a depositing Covered Bondholder upon deposit of a Put Option Notice with the Principal Paying Agent by any Covered Bondholder wanting to exercise a right to redeem Covered Bonds at the option of the Covered Bondholder;

"Quarterly Master Servicer's Report" means the quarterly report prepared by the Master Servicer on the basis of the Quarterly Servicer Reports and the form provided for in schedule 2 – Part 3 (*Schema di Rapporto Trimestrale del Master Servicer*) of the Master Servicing Agreement, related to the activity of the Servicers in the previous quarter, and delivered by the Master Servicer on each Quarterly Report

Date to the Guarantor, the Guarantor Corporate Servicer, the Guarantor Calculation Agent, the Asset Monitor, the Representative of the Covered Bondholder and the Rating Agencies.

“Quarterly Servicer Report” means the quarterly report prepared by each Servicer, also through its IT Services Provider, on the basis of the form provided for in schedule 2 – part 2 (*Schema di Rapporto Trimestrale del Servicer*) of the Master Servicing Agreement, related to the activity carried out in relation to the Receivables in the previous quarter, and delivered to the Master Servicer, through an agreed computerized data transfer mechanism, by the 19th Business Day preceding each Quarterly Report Date.

“Quarterly Report Date” means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 26th calendar day of April, July, October and January of each year or, if such day is not a Business Day, the immediately preceding Business Day; and (b) following the delivery of a Guarantor Default Notice, such date as may be indicated by the Representative of the Covered Bondholders. The first Quarterly Report Date will fall on 26 October 2021.

“Quotaholder Corporate Servicer” means Wilmington Trust SP Services (London) Limited.

“Quotaholder Corporate Services Agreement” means the agreement entered into on or about 15 July 2021, between the Quotaholder Corporate Servicer, the Quotaholders and the Guarantor, as amended and restated from time to time.

“Quotaholders’ Agreement” means the agreement entered into on or about 15 July 2021, between Iccrea Banca and Stichting Campari as quotaholders of the Guarantor, the Representative of the Covered Bondholders and the Guarantor, as amended and restated from time to time.

“Quotaholders” means Iccrea Banca and Stichting Campari.

“Quota Capital” means the quota capital of the Guarantor, equal to Euro 10,000.

“Quota Capital Account” means the Euro denominated account established in the name of the Guarantor with the Operating Bank (IBAN: IT96B0800003200000800031345) for the deposit of the Quota Capital.

“Rating Agencies” means Moody's and/or any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, and each of them is a **“Rating Agency”**.

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Series of Covered Bonds specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

“Real Estate Assets” means the real estate properties which have been mortgaged in order to secure the Receivables.

“Receivables” means specifically each and every right arising under the Mortgage Loans pursuant to the Mortgage Loan Agreements, including but not limited to:

- (i) all rights in relation to all Outstanding Principal of the Mortgage Loans as at the relevant Transfer Date;
- (ii) all rights and claims in respect of the payment of interest, including default interest, accrued on the Mortgage Loans and not yet collected as at the Transfer Date;

- (iii) all rights in relation to the payment of interest (including default interest) on the Mortgage Loans as from the relevant Transfer Date;
- (iv) all rights in relation to the reimbursement of expenses and in relation to any losses, costs, indemnities and damages and any other amount due to each Seller in relation to the Mortgage Loans, the Mortgage Loan Agreements, including penalties and any other amount due to each Seller in the case of prepayments of the Mortgage Loans, and to the warranties and insurance related thereto, including the rights in relation to the reimbursement of legal, judicial and other possible expenses incurred in connection with the collection and recovery of all amounts due in relation to the Mortgage Loans up to and as from the relevant Transfer Date;
- (v) all rights in relation to any amount paid pursuant to any Insurance Policy or guarantee in respect of the Mortgage Loans of which each Seller is the beneficiary or is entitled pursuant to any liens (*vincoli*);
- (vi) all of the above together with the Mortgages and any other security interests (*garanzie reali o garanzie personali*) assignable as a result of the assignment of the Receivables (except for the *fidejussioni omnibus* which have not been granted exclusively in relation to or in connection with the Mortgage Loans), including any other guarantee granted in favour of the Sellers in connection with the Mortgage Loans or the Mortgage Loan Agreements and the Receivables.

"Receiver" means any receiver, manager or administrative receiver appointed in accordance with clause 8 (*Appointment of Receiver*) of the Deed of Charge.

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount.

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

"Reference Price" has the meaning given in the relevant Final Terms.

"Reference Rate" has the meaning given in the relevant Final Terms.

"Regular Period" means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Clearing System" means Euroclear and/or Clearstream, Luxembourg and/or any other clearing system (other than Monte Titoli) specified in the relevant Final Terms as a clearing system through which payments under the Covered Bonds may be made;

"Relevant Public Entity Securities Documents" (*Documenti Giustificativi dei Titoli di Enti Pubblici*) means, where available, the relevant prospectuses (or, for Public Entity Securities in respect of which duty to publish a prospectus is not provided for, the issue notice published in accordance with the relevant applicable law) and/or the terms and conditions of the Securities (or similar documents in accordance with the relevant applicable law).

"Renegotiated Mortgage Loans" means Mortgage Loans in relation to which the relevant borrower benefits from (i) rescheduling or suspension of payments agreements (including moratoriums) in accordance with applicable legislation or agreements entered into by the Italian Banking Association or other trade associations to which the relevant Seller is a party, or voluntary suspension programmes started by the relevant Seller, exclusively in order to deal with states of emergency and/or calamitous events (both natural and man-made) or major economic crisis of national importance; (ii) voluntary suspension agreements entered into by the relevant Seller in order to deal with states of emergency and/or particular concern, including of local relevance.

"Representative of the Covered Bondholders" means Banca Finanziaria Internazionale S.p.A., acting in its capacity as representative of the Covered Bond holders pursuant to the Intercreditor Agreement, the Programme Agreement, the Conditions and the Final Terms of each Series of Covered Bonds.

"Residential Mortgage Loan" (*crediti ipotecari residenziali*) means residential mortgage loans whose ratio between (i) the outstanding principal amount and (ii) the value of the mortgaged property, pursuant to article 2, paragraph 1 of the Decree 310, is equal to or lower than 80 per cent.

"Residential Mortgage Loan Agreement" means any residential mortgage loan agreement out of which Receivables arise.

"Retention Amount" means an amount equal to Euro 50,000.

"Rules of the Organisation of the Covered Bondholders" or **"Rules"** means the rules of the Organisation of the Covered Bondholders attached as exhibit to the Conditions of the Covered Bonds.

"Securities Act" means the U.S. Securities Act of 1933.

"Security" means the security created pursuant to, respectively, the Deed of Pledge and the Deed of Charge.

"Securities Account" means the account that will be opened in the name of the Guarantor with the Account Bank, on which (a) all securities constituting Eligible Investments purchased by the Account Bank with the amounts standing to the credit of the Investment Account acting upon instructions of the Guarantor Calculation Agent (as directed by the Issuer), and (b) all Eligible Assets and Integration Assets consisting of securities, will be deposited in accordance with and subject to the conditions of the Cash Allocation Management and Payments Agreement.

"Selected Assets" has the meaning ascribed to such term under clause 5 (*Disposal of Assets following an Issuer Default Notice*) of the Cover Pool Management Agreement.

"Seller" means any seller in its capacity as such pursuant to the Master Loans Purchase Agreement.

"Series" or **"Series of Covered Bonds"** means each series of Covered Bonds issued in the context of the Programme.

“Senior Liabilities” means

- (i) on any Guarantor Payment Date prior to the delivery of an Issuer Default Notice, an amount equal to the sum of the payments due by the Guarantor pursuant to the items from (*First*) to (*Third*) of the Pre-Issuer Event of Default Interest Priority of Payments, as provided for in the relevant Payments Report;
- (ii) on any Guarantor Payment Date following the delivery of an Issuer Default Notice, an amount equal to the sum of the payments due by the Guarantor pursuant to the items from (*First*) to (*Third*) of the Guarantee Priority of Payments, as provided for in the relevant Payments Report.

"Sole Affected Party" means an Affected Party as defined in the relevant Swap Agreement which at the relevant time is the only Affected Party under such Swap Agreement.

"Specific Criteria" means the criteria listed in Schedule 2 (*Criteri specifici di selezione e indentificazione dei Crediti*) to the Master Loans Purchase Agreement or the specific criteria that will be indicated by the relevant Seller, in relation to each transfer, in the related Transfer Notice.

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" means with respect to:

- (i) the Principal Paying Agent, at Piazza Lina Bo Bardi 3, Milan;
- (ii) the Guarantor Corporate Servicer, at Via V. Alfieri, 1 Conegliano (TV);
- (iii) the Guarantor Calculation Agent, at Via V. Alfieri, 1 Conegliano (TV);
- (iv) the Account Bank, at Piazza Lina Bo Bardi 3, Milan;
- (v) the Operating Bank and the Test Calculation Agent, at Via Lucrezia Romana, n. 41/47-00178 Rome.

"Specified Period" has the meaning given in the relevant Final Terms.

"Stabilisation Manager" means each Dealer or any other person acting in such capacity in accordance with the terms of the Programme Agreement.

"Staff Mortgage Loans" means Mortgage Loans granted to natural person, which, as at the date of the disbursement of the Mortgage Loan, were employees of the relevant Seller.

"Statutory Tests" means such tests provided for under article 3 of Decree 310 and namely: (i) the Nominal Value Test, (ii) the Net Present Value Test and (iii) the Interest Coverage Test, as further defined under clause 2 (*Statutory Test*) of the Cover Pool Management Agreement.

“Step-Up Covered Bond” means a Covered Bond specified as such in the relevant Final Terms.

“Step-Up Event” has the meaning ascribed to such term in the applicable Final Terms.

“Step-Up Margin” means the amount specified in the applicable Final Terms as being the Step-Up Margin.

"Stock Exchange" means the Luxembourg Stock Exchange.

"Subordinated Loan" means the loan granted or to be granted to the Guarantor pursuant to article 2 (*Il Finanziamento Subordinato*) of each Subordinated Loan Agreement or the outstanding principal amount of such Subordinate Loan.

"Subordinated Loan Agreement" means each subordinated loan agreement entered into between a Subordinated Loan Provider and the Guarantor, as amended and restated from time to time.

"Subordinated Loan Interest Period" means, in relation to any Subordinated Loan: (i) the relevant First Interest Period; and thereafter (ii) each monthly period starting on a Guarantor Payment Date (excluded) and ending on the following Guarantor Payment Date (included).

"Subordinated Loan Provider" means each Seller, in its capacity as subordinated loan provider pursuant to the relevant Subordinated Loan Agreement, and **"Subordinated Loan Providers"** means, collectively, all of them.

"Subscription Agreements" means each subscription agreement entered into on or about the Issue Date of each Series of Covered Bonds between each Dealers and the Issuer.

"Subsidiary" has the meaning ascribed to such term in Article 2359 of the Italian Civil Code.

"Servicer" means each Seller, acting in its capacity as servicer pursuant to the Master Servicing Agreement.

"Suspension Period" means the period of time following an Article 74 Event.

"Swap Agreements" means, collectively, each Asset Swap Agreement, each Liability Swap Agreement and any other swap agreement that may be entered into in connection with the Programme.

"Swap Collateral" means the collateral which may be transferred by the Swap Provider to the Issuer or, as the case may require, the Guarantor in support of its obligations under the Swap Agreements.

"Swap Collateral Account Bank" means any bank which may be appointed as swap collateral account bank in accordance with the Cash Allocation Management and Payments Agreement.

"Swap Collateral Account Bank Report" means the report to be prepared and delivered by the Swap Collateral Account Bank, if appointed, to the Guarantor, the Sellers, the Representative of the Covered Bondholders, the Master Servicer, the Servicers and the Guarantor Calculation Agent in accordance with the Cash Allocation Management and Payments Agreement.

"Swap Collateral Accounts" means, collectively, any Swap Collateral Cash Account and any Swap Collateral Securities Account.

"Swap Collateral Cash Account" means any collateral account with respect to each Swap Provider, which may be opened, in name and on behalf of the Guarantor, with the Swap Collateral Account Bank on which each Swap Collateral in the form of cash may be posted in accordance with the relevant Swap Agreement and the Cash Allocation Management and Payments Agreement.

"Swap Collateral Securities Account" means any collateral account (if any) related to each Swap Provider which may be opened, in name and on behalf of the Guarantor, with the Swap Collateral Account Bank on which the Swap Collateral in the form of securities may be posted in accordance with the relevant Swap Agreement and the Cash Allocation Management and Payments Agreement.

"Swap Collateral Excluded Amounts" means at any time, the amounts of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor or, as the case may be, the Issuer including Swap

Collateral which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement.

"Swap Providers" means, collectively, the Asset Swap Providers, the Liability Swap Providers and the providers of any other swap or other hedging agreements that may be entered into in connection with the Programme.

"TARGET Settlement Day" means any day on which TARGET2 System is open for the settlement of payments in euro;

"Termination Date" means the first between the following: (i) the date on which the appointment of the Servicer's Substitute becomes effective; and (ii) the date on which there are no longer any Receivables in the Portfolio.

"Tests" means, collectively, the Statutory Tests and the Amortisation Test.

"Test Calculation Agent" means Iccrea Banca, acting as test calculation agent or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

"Test Calculation Date" means (i) prior to the delivery of a Test Performance Report assessing that a breach of Test has occurred, the date falling two Business Days immediately following each Guarantor Calculation Date and (ii) following the delivery of a Test Performance Report assessing that a breach of Test has occurred, the second Business Day of the month immediately following the date of such Test Performance Report and, thereafter, the second Business Day of each month for the following six month-period.

"Test Grace Period" means the 20 (twenty) Business Days period starting on the Test Calculation Date on which a Test Performance Report assessing that a breach of Test has occurred is delivered by the Test Calculation Agent.

"Test Performance Report" means the report to be delivered, not later than the Test Calculation Date, by the Test Calculation Agent pursuant to the terms of the Cover Pool Management Agreement.

"Total Commitment" with respect to each Subordinated Loan Provider, has the meaning ascribed to such term under the relevant Subordinated Loan Agreement.

"Tranche" means the tranche of Covered Bonds issued under the Programme to which each Final Terms relates, each such tranche forming part of a Series.

"Transfer Agreement" means any transfer agreement for the purchase of each Portfolio entered into in accordance with the terms of the Master Loans Purchase Agreement, as amended and restated from time to time.

"Transfer Date" means: with reference to each Portfolio, the date of acceptance of the relevant Transfer Notice pursuant to Article 3.2 (a) of the Master Loans Purchase Agreement.

"Transfer Notice" means, in respect to each Portfolio, such transfer notice which will be sent by each Seller and addressed to the Guarantor in the form set out in schedule 4 (*Modello di proposta di cessione di Nuovi Portafogli*) to the Master Loans Purchase Agreement.

"Transitory Collection Accounts" means the bank accounts established in the name of the Guarantor with the Operating Bank and indicated in Schedule 6 (*Conti Incassi Transitori*) of the Master Servicing Agreement into which all the Collections will be transferred.

"Transaction Documents" means the Master Loans Purchase Agreement, the Master Servicing Agreement, the Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments Agreement, the Programme Agreement, each Subscription Agreement, the Cover Pool Management Agreement, the Intercreditor Agreement, each Subordinated Loan Agreement, the Asset Monitor Agreement, the Covered Bond Guarantee, the Corporate Services Agreement, the Swap Agreements (if any), the Mandate Agreement, the Quotaholders' Agreement, these Conditions, each Final Terms, the Deed of Charge, the Deed of Pledge, the Master Definitions Agreement, the Quotaholder Corporate Services Agreement and any other agreement entered into from time to time in connection with the Programme.

"Usury Law" means the Law number 108 of 7 March 1996 together with Decree number 394 of 29 December 2000 which has been converted in law by Law number 24 of 28 February 2001.

"Valuation Date" means with reference to each Portfolio, the date indicated by the Guarantor in the relevant Transfer Notice.

"Value Added Tax" or "VAT" means *Imposta sul Valore Aggiunto (IVA)* as defined in D.P.R. number 633 of 26 October 1972.

"Warranty and Indemnity Agreement" means the warranty and indemnity agreement entered into between the Sellers and the Guarantor, as amended and restated from time to time.

"Zero Coupon Covered Bond" means a Covered Bond specified as such in the relevant Final Terms.

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Banca di Credito Cooperativo
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December 2020

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*For the Issuer's annual separate and
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January 2021

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