Base Prospectus dated 31 January 2024

BPER BANCA S.P.A.

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

€ 7,000,000,000 Covered Bond Programme

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

ESTENSE CPT COVERED BOND S.r.l.

(incorporated as a limited liability company (società a responsabilità limitata) in the Republic of Italy)

The € 7,000,000,000 Covered Bond Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**") has been established by BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna Società Cooperativa) ("**BPER**", or the "**Issuer**") for the issuance of European covered bonds (*obbligazioni bancarie garantite europee*) (the "**Covered Bonds**", which term includes, for the avoidance of doubt and as the context requires, Registered Covered Bonds, as defined below) guaranteed by Estense CPT Covered Bond S.r.l. (the "**Guarantor**") pursuant to Title I-*bis* of law of 30 April 1999, No. 130, as implemented and supplemented from time to time ("**Law 130**"), article 129 of the 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 and supplemented from time to time (the "**CRR**") and the Supervisory Instructions of the Bank of Italy containing the "*Disposizioni di vigilanza per le banche*" relating to covered bonds (*obbligazioni bancarie garantite*) set out in Part III, Chapter 3 of *Circolare* No. 285 of 17 December 2013, as replaced, amended and supplemented from time to time (the "**BoI Regulations**" and, together with the Law 130 and Article 129 of the CRR, jointly the "**OBG Regulations**"). The aggregate nominal amount of the Covered Bonds outstanding under the Programme will not at any time exceed € 7,000,000,000 (or its equivalent in other currencies calculated as described herein).

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 and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer 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, received or recovered by the Guarantor on their behalf in accordance with Law 130.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority (the "**Competent Authority**") under Article 31 of the Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public and admitted to trading on a regulated market (as amended, the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor of the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. Approval by the CSSF relates only to the Covered Bonds and does not include the Registered Covered Bonds. Article 6(4) of the Luxembourg Prospectus Law (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) provides that, by approving this Base Prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in any economic or financial opportunity of the operations or activities or the quality and solvency of the Issuer.

This Base Prospectus constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

This Base Prospectus is valid for 12 months from its approval date and therefore until 31 January 2025. 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.

Application has been made to list Covered Bonds on the Official List of the Luxembourg Stock Exchange and to trade the Covered Bonds on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/U (as amended, "**MiFID II**"). References in this Base Prospectus to Covered Bonds being "listed" (and all related references) shall mean that such Covered Bonds (other than the Registered Covered Bonds) have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. In addition, the Issuer and each relevant Dealer named under the section "*Subscription and Sale*" below may agree to make an application to list a Series or Tranche on any other stock exchange. The Programme also permits Covered Bonds to be issued on an unlisted basis. The relevant Final Terms (as defined in the section "*Terms and Conditions of the Covered Bonds*" below) in respect of the issue of any Series will specify whether or not such Series will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market (or any other stock exchange).

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 prospectus under the Prospectus Regulation, such Covered Bonds (other than the Registered Covered Bonds) will not have a denomination of less than €100,000 (or, where the Covered Bonds are issued in a currency other than euro, the equivalent amount in such other currency).

Under the Programme, the Issuer may issue Covered Bonds denominated in any currency, including Euro, GBP, CHF, Yen and USD. Interest on the Covered Bonds shall accrue monthly, quarterly, semi-annually or annually as specified in the relevant Final Terms, in arrear at a fixed or floating rate, increased or decreased by a margin. The Issuer may also issue Covered Bonds at a discounted price with no interest accruing and repayable at nominal value (zero-coupon Covered Bonds).

The terms of each Tranche will be set forth in the Final Terms relating to such Tranche prepared in accordance with the provisions of this Base Prospectus and, if the relevant Covered Bonds are listed, to be delivered to the regulated market of the Luxembourg Stock Exchange on or before the date of issue of such Tranche.

The Covered Bonds may also be issued in registered form as German law governed registered covered bonds (*Namensschuld verschreibungen*) (the "**Registered Covered Bonds**"). The terms and conditions of the relevant Registered Covered Bonds (the "**Registered CB Conditions**") will specify the minimum denomination for the relevant Registered Covered Bonds, which will not be listed.

The Covered Bonds (other than Registered Covered Bonds) will be issued in bearer form and dematerialised form (*emesse in forma dematerializzata*) and will be held in such form on behalf of their ultimate owners, until redemption or cancellation thereof, 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. The expression "**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System). The expression "**Relevant Clearing Systems**" means any of Clearstream Banking, *société anonyme*, with registered office at 42 Avenue JF Kennedy, L-1855, Luxembourg ("**Clearstream**") and Euroclear Bank S.A./N.V. with registered office at 1 Boulevard du Roi Albert II, B-1210 Bruxelles ("**Euroclear**"). Each Covered Bond issued in dematerialised form will be deposited with Monte Titoli on the relevant Issue Date (as defined in the section "*Terms and Conditions of the Covered Bonds*" below). The Covered Bonds (other than Registered Covered Bonds) 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 article 83-*bis* of Italian 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, regarding post-trading systems, dated 13 August 2018, as subsequently amended and supplemented. No physical document of title is and will be issued in respect of the Covered Bonds (other than the Registered Covered Bonds).

Before the Maturity Date, the Covered Bonds will be subject to mandatory and optional redemption in whole or in part in certain circumstances, as set out in Condition 8 (*Redemption and Purchase*).

Each Tranche or Series is expected, upon the relevant issue, to be assigned a rating as specified in the relevant Final Terms by Moody's Italia S.r.l. or Moody's France SAS, as the case may be ("**Moody's**" or the "**Rating Agency**"), which is established in the European Union and registered under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended from time to time (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 European Securities and Markets Authority ("**ESMA**") pursuant to the EU CRA Regulation (for more information please visit the ESMA webpage http://www.esma.europa.eu/supervision/credit-rating-agencies/risk). Where a Tranche or Series of Covered Bonds is to be rated, such rating will not necessarily be the same as the rating assigned to the Covered Bonds already issued. Whether or not a rating in relation to any Tranche or Series of Covered Bonds will be treated as having been issued or endorsed (i) by a credit rating agency established in the European Union and registered under the EU CRA Regulation or (ii) 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 UK by virtue of the European Union Withdrawal Act 2018, as amended (the "**UK CRA Regulation**" and, together with the EU CRA Regulation, the "**CRA Regulations**") but is endorsed by a credit rating agency which is established in the European Union and registered under the EU CRA Regulation or (iii) issued by a credit rating agency which is not established in the European Union but which is certified under the EU CRA Regulation, will be disclosed in the relevant Final Terms or in the Registered CB Conditions (as applicable). 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. The ESMA is obliged to maintain on its website, https://www.esma.europa.eu/page/Listregistered-and-certified-CRAs, a list of credit rating agencies registered and certified in accordance with the EU CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be subject to revision or withdrawal by the Rating Agency and each rating shall be evaluated independently of any other.

Amounts payable as interest amounts under the Covered Bonds may be calculated by reference to either the EURIBOR or such other benchmark 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 ESMA's register of administrators under Article 36 of Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**"). The regulatory status of any administrator under the

Benchmark Regulation is a matter of public record and save as required by the applicable law, the Issuer does not intend to provide any updates or prepare any supplement to reflect any changes in the regulatory status of any administrator.

An investment in Covered Bond issued under the Programme involves certain risks. Prospective investors should have regard to the risk and other factors described under the section headed "Risk Factors" in this Base Prospectus.

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

Arranger and Dealer

UBS Europe SE

RESPONSIBILITY STATEMENTS

This Base Prospectus comprises a base prospectus for the purposes of Article 8 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 the Guarantor and of the rights attaching to the Covered Bonds.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

The Guarantor has provided the information under the section headed "*Description of the Guarantor*" and any other information contained in this Base Prospectus relating to itself and, together with the Issuer (the "**Responsible Persons**"), accepts responsibility for the information contained in those sections. To the best of the knowledge of the Guarantor, the information and data in relation to which it is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data.

Certification of the manager responsible for preparing the Issuer's financial reports, pursuant to article 154-bis, paragraph 2 of the Financial Law

The manager responsible for preparing the Issuer's financial reports (*dirigente preposto*), Marco Bonfatti, declares in accordance with article 154-*bis*, paragraph 2, of the Financial Law, that the accounting data contained in this Base Prospectus corresponds to the underlying documents, accounting books and the other accounting entries of the Issuer.

This Base Prospectus is to be read and construed in conjunction with any supplement thereto and with all documents incorporated herein by reference (see the section headed "*Documents incorporated by reference*", below). Full information on the Issuer, the Guarantor and any Series or Tranche of Covered Bonds is only available on the basis of the combination of this Base Prospectus, any supplements, the relevant Final Terms and the documents incorporated by reference.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of Covered Bonds are the persons named in the applicable Final Terms as the relevant Dealer(s).

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office of the Primary Paying Agent (as defined below) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

Capitalised terms used in this Base Prospectus shall have the meanings ascribed to them in the section headed "*Terms and Conditions of the Covered Bonds*" below, unless otherwise defined in the specific section of this Base Prospectus in which they are used. For ease of reference, the section headed "*Glossary*" below indicates the page of this Base Prospectus on which each capitalised term is defined.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Seller, the Guarantor, the Arranger or any of the Dealers, the Representative of the Covered Bondholders or any party to the Transaction Documents.

Neither the delivery of this Base Prospectus nor any sale made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct 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.

This Base Prospectus is valid for 12 months following its approval date and it and any supplement hereto, as well as any Final Terms filed within these 12 months, reflects the status as 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 or the Guarantor since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Dealers, the Representative of the Covered Bondholders or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger, the Representative of the Covered Bondholders or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Covered Bonds. The Arranger, the Representative of the Covered Bondholders and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

Neither the Arranger nor any Dealer nor the Representative of the Covered Bondholders has independently verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers and the Representative of the Covered Bondholders or any of them as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer and the Guarantor in connection with the Covered Bonds or their distribution.

None of the Dealers or the Arranger makes any representation, express or implied, nor accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. 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 Arranger, the Representative of the Covered Bondholders 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 and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger or the Representative of the Covered Bondholders undertakes 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 Arranger.

This Base Prospectus contains industry and customer-related data, as well as calculations taken from industry reports, market research reports, publicly available information and commercial publications. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Responsible Persons are aware and are able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading. The source of third party information is identified where used.

No statement or report attributed to a person as an expert is included in this Base Prospectus, except for the reports of the auditors of the Issuer and the Guarantor who have audited the consolidated financial statements of the BPER Group and each of the financial statements of the Issuer and the Guarantor for the financial year ended on 31 December 2022 and 31 December 2021.

For further information please see, respectively, the section headed "*Auditors*" in the "*General Information*" of this Base Prospectus.

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 Dealers 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 this Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see the section headed "*Selling Restrictions*" below. In particular, the Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") and include Covered Bonds in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons. There are further restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the European Economic Area, including the United Kingdom, France, Germany, the Republic of Italy, and in Japan. For a description of certain restrictions on offers and sales of Covered Bonds and on distribution of this Base Prospectus, see the section headed "*Subscription and Sale*" below.

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 and the Guarantor.

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.

In this Base Prospectus, references to "**€**" or "**euro**" or "**Euro**" or "**EUR**" 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 "**CHF**" are to the currency of Switzerland; references to "**Yen**" are to the currency of Japan; references to "**£**" or "**UK Sterling**" are to the currency of the United Kingdom; references to "**Italy**" are to the Republic of Italy; references to "**UK**" are to the United Kingdom; references to "**EEA**" are to the European Economic Area; 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 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.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Arranger is acting for the Issuer and no one 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 Arranger or for providing advice in relation to the issue of the Covered Bonds.

In connection with the issue of any Tranche under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting for the Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of

the relevant Tranche 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 Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Important – EEA Retail Investors. If the Final Terms in respect of any Covered Bonds include a legend entitled "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 **MiFID II**; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the 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.

Important – UK Retail Investors - If the Final Terms in respect of any Covered Bonds include a legend entitled "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 ("**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 UK domestic law by virtue of EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of 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.

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, as amended (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Covered Bond is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market - The Final Terms in respect of any 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 manufacturer's target market assessment; however, a distributor subject to UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the 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 set out in 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 Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

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

Each potential investor in any 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 relevant Covered Bonds, the merits and risks of investing in the relevant 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 relevant Covered Bonds and the impact such investment 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 relevant Covered Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;

(iv) understand thoroughly the terms of the relevant 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 and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to investors’ 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 the help of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the potential investor’s overall investment portfolio.

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes "forward-looking statements". All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed in the section entitled "Risk Factors". These forward-looking statements speak only as at the date of this Base Prospectus or as at such earlier date at which such statements are expressed to be given. Subject to any continuing disclosure obligation under applicable law (including, without limitation, the obligation to prepare a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation), the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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GENERAL DESCRIPTION OF THE PROGRAMME

This section must be read as an introduction to this Base Prospectus and as such the following section 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 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 the corresponding numbered Condition in the section headed "Terms and Conditions of the Covered Bonds" below.

(a) Parties

Issuer	BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa), a bank incorporated as a joint-stock company (*società per azioni*) under the laws of the Republic of Italy, fiscal code, VAT number and number of registration with the Companies' Register of Modena, No. 01153230360, adhering to "*Gruppo IVA BPER Banca*" –VAT number 03830780361, registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under number 4932, parent company of the "*Gruppo bancario BPER Banca S.p.A.*" registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under number 5387.6 (the "**BPER Banking Group**" or the "**BPER Group**" or the "**Group**"), having its registered office at Via San Carlo, 8/20, 41121 Modena, Italy (the "**Issuer**", or "**BPER**"). For a more detailed description of the Issuer, see the section headed "*Description of the Issuer and Initial Seller*" below.
Guarantor	Estense CPT Covered Bond S.r.l., a company incorporated in Italy as a limited liability company (*società a responsabilità limitatà*) pursuant to Law 130, whose registered office is in Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy, corporate capital equal to Euro 10,000.00 fully paid-in, fiscal code, VAT number and number of registration with the Companies Register of Treviso - Belluno, under No. 04730160266, belonging to the BPER Banking Group and directed and co-ordinated (*soggetta all'attività di direzione e coordinamento*) by BPER Banca S.p.A. (the "**Guarantor**"). For a more detailed description of the Guarantor, see the section headed "*Description of the Guarantor*", below.
Arranger	UBS EUROPE SE *breviter* "UBS", a Societas Euopaea under German law with headquarters in Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany, listed in the commercial register for the Frankfurt district court under the number HRB 107046, value-added tax identification number (in accordance with Article 22 (1) of the Sixth Council Directive 77/388/EEC of May 17, 1977 on the harmonization of the laws of the Member States relating to turnover taxes) is DE 114 104 636, , in its capacities as arranger(the "**Arranger**").

Dealer

UBS Europe SE and any other dealer appointed from time to time in accordance with the Programme Agreement.

Initial Seller

BPER will act as seller under the BPER Master Transfer Agreement (in such capacity, the "**Initial Seller**" and, together with the Additional Sellers (as defined below), the "**Sellers**"). For a more detailed description of the Initial Seller, see the section headed "*Description of the Issuer and Initial Seller*", below.

Additional Sellers

Any bank, other than the Initial Seller, which is and/or will be a member of the BPER Banking Group (each an "**Additional Seller**"), that will sell further Subsequent Portfolios to the Guarantor, subject to satisfaction of certain conditions, and which, for such purpose, shall, *inter alia*:

(i) enter into with the Guarantor a master transfer agreement providing for, *mutatis mutandis*, substantially the same terms and conditions of the BPER Master Transfer Agreement (each an "**Additional Master Transfer Agreement**" and, together with the BPER Master Transfer Agreement, the "**Master Transfer Agreements**" and any one of them a "**Master Transfer Agreement**"); and

(ii) accede to the Intercreditor Agreement by signing an accession letter substantially in the form attached to the Intercreditor Agreement and the Cover Pool Administration Agreement, respectively.

Subordinated Loan Provider

BPER will act as subordinated loan provider (in such capacity, the "**Subordinated Loan Provider**") pursuant to the terms of the BPER Subordinated Loan Agreement (as defined below).

Any Additional Seller that will sell further Subsequent Portfolios (as defined below) to the Guarantor will be required to enter into a subordinated loan agreement with the Guarantor providing for, *mutatis mutandis*, substantially the same terms and conditions of the BPER Subordinated Loan Agreement (each such agreement, an "**Additional Subordinated Loan Agreement**" and, together with the BPER Subordinated Loan Agreement, the "**Subordinated Loan Agreements**").

Servicer

BPER will act as servicer (the "**Servicer**") in the context of the Programme and will be responsible for the management and the collection of the Receivables (as defined below) and/or Public Entity Securities (as defined below) and/or Liquid Assets (as defined below), as applicable, respectively sold from time to time to the Guarantor, pursuant to the terms of the Servicing Agreement.

BPER, in its capacity as Servicer, is entitled to delegate to the relevant Additional Seller the management, administration, collection and recovery activities in respect of those Receivables (as defined below), Public Entity Securities (as defined below) and/or Liquid Assets (as defined below) sold by such relevant Additional Seller.

BPER, in its capacity as Servicer, will remain directly responsible for the performance of all duties and obligations delegated to any relevant Additional Seller and will be liable for their respective conduct. For a more detailed description of the Servicer, see the section headed "*Description of the Issuer and Initial Seller*" below.

Successor Servicer

The party or parties (the "**Successor Servicer**") which will be appointed in order to perform, *inter alia*, the servicing activities performed by the Servicer, and any successor or replacing entity thereto following the occurrence of a Servicer Termination Event (as defined below) (for a more detailed description, see the section headed "*Description of the Transaction Documents – Servicing Agreement*" below).

Corporate Servicer

Pursuant to the Corporate Services Agreement, Banca Finanziaria Internazionale S.p.A., a bank incorporated under the laws of the Republic of Italy, with registered office at Via V. Alfieri 1, 31015, Conegliano (TV), Italy, fiscal code and enrolment with the Companies Register of Treviso-Belluno number 04040580963, enrolled under number 5580 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act ("**Banca Finint**") will act as corporate servicer (the "**Corporate Servicer**").

Asset Monitor

A reputable firm of independent accountants and auditors has been appointed as Asset Monitor pursuant to a mandate granted by the Issuer, and which will act as an independent monitor pursuant to an Asset Monitor Agreement in order to perform tests and procedures, including those in accordance with the applicable legal regulations. The current Asset Monitor is PricewaterhouseCoopers S.p.A., a company incorporated in Italy as a joint stock company (*società per azioni*) whose registered office is in Milan registered with the companies' register of Milan under number 12979880155 and enrolled under number 119644 with the register of statutory auditors (*Registro dei Revisori Legali)* maintained by the Minister of Economy and Finance, having its registered office at Piazza Tre Torri, 2, 20145 Milan, Italy (the "**Asset Monitor**").

Account Bank

BPER will act as account bank pursuant to the Cash Management and Agency Agreement (the "**Account Bank**"), for the purpose of maintaining and operating the Accounts for so long as it qualifies as an Eligible Institution.

Back-up Account Bank

The Bank of New York Mellon SA/NV - Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at Multi Tower, Boulevard Anspachlaan 1, B-1000, Brussels, Belgium, acting through its Milan Branch at Via Mike Bongiorno, 13, 20124 Milan, Italy, registered with the Companies' Register (*Registro delle Imprese*) of Milan-Monza-Brianza-Lodi, tax code and VAT No. 09827740961, enrolled as a "*filiale di banca estera*" under number 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act will act a back-up account bank pursuant to the Cash Management and Agency Agreement (the "**Back-up Account Bank**").

Cash Manager	BPER will act as cash manager under the Cash Management and Agency Agreement for the purpose of performing certain calculation and payment services on behalf of the Guarantor and maintaining and operating the Investment Account and the Securities Account subject to the provisions of the Cash Management and Agency Agreement (the "**Cash Manager**").
Investment Agent	BPER will act as Investment Agent pursuant to the Cash Management and Agency Agreement (the "**Investment Agent**") for the purpose of investing the amounts from time to time standing to the credit of the Investment Account.
Calculation Agent	Pursuant to the Cover Pool Administration Agreement, BPER will act as calculation agent (the "**Calculation Agent**"). The Calculation Agent will perform certain calculations and conduct certain tests pursuant to the Cover Pool Administration Agreement.
Guarantor Calculation Agent	Pursuant to the Cash Management and Agency Agreement, Banca Finint will act as Guarantor calculation agent (the "**Guarantor Calculation Agent**"). The Guarantor Calculation Agent will perform certain calculations and reporting services in relation to the Cover Pool.
Mortgage Pool Swap Counterparties	Any swap counterparty which agrees to act as swap counterparty (each a "**Mortgage Pool Swap Counterparty**") to the Guarantor under any swap agreements executed with the Guarantor in order to hedge basis and interest rate risk on the Cover Pool or a portion thereof (each, a "**Mortgage Pool Swap**").
Covered Bond Swap Counterparties	Any swap counterparty which agrees to act as covered bond swap counterparty (each, a "**Covered Bond Swap Counterparty**") to the Guarantor under any covered bond swap agreements executed with the Guarantor in order to hedge certain interest rate, basis risk, and, if applicable, currency risks in respect of amounts received by the Guarantor under the Mortgage Pool Swap and amounts to be paid in respect of the Covered Bonds by the Guarantor (each, a "**Covered Bond Swap**").
Swap Counterparties	Each Mortgage Pool Swap Counterparty and each Covered Bond Swap Counterparty (the "**Swap Counterparties**").
Swap Agreements	Each Mortgage Pool Swap and each Covered Bond Swap (the "**Swap Agreements**"), which may be entered into between the Guarantor and (i) each Mortgage Pool Swap Counterparty and (ii) each Covered Bond Swap Counterparty, respectively, is or will be documented in accordance with the

	documentation published by the International Swaps and Derivatives Association Inc. (“**ISDA**”).
Primary Paying Agent	BPER will act as primary paying agent under the Programme pursuant to the provisions of the Cash Management and Agency Agreement and in accordance with the Terms and Conditions and the Final Terms of the relevant Series of Covered Bonds (the “**Primary Paying Agent**”).
Subsequent Paying Agent	Bank of New York Mellon SA/NV – Milan Branch will act as subsequent paying agent under the Programme pursuant to the provisions of the Cash Management and Agency Agreement (the “**Subsequent Paying Agent**”).
Luxembourg Listing Agent	**Banque International à Luxembourg SA**, whose registered office is at 69, route d’Esch Office PLM – 101 F, L-2953 Luxembourg, will act as Luxembourg listing agent under the Programme (the “**Luxembourg Listing Agent**”).
Registrar	Any institution which may be appointed by the Issuer to act as registrar (the “**Registrar**”) in respect of the German law governed covered bonds in registered form (*Namensschuld verschreibungen*) (the “**Registered Covered Bonds**”) issued under the Programme, provided that, if the Issuer will keep the register and will not delegate such activity, any reference to the Registrar will be construed as a reference to the Issuer.
Registered Paying Agent	Any institution appointed by the Issuer to act as paying agent in respect of the Registered Covered Bonds issued under the Programme, if any (the “**Registered Paying Agent**”).
Representative of the Covered Bondholders	Banca Finint will act as representative of the holders of the covered bonds pursuant to the Programme Agreement and the Rules of the Organisation of Covered Bondholders (the “**Representative of the Covered Bondholders**”).
Ownership or control relationships between the principal parties	As of the date of this Base Prospectus, no direct or indirect ownership or control relationships exist between the principal parties described above in this section, other than the relationship existing between the Issuer (also as Initial Seller, Servicer, Subordinated Loan Provider, Primary Paying Agent, Calculation Agent and Investment Agent), the Additional Seller(s) (if any) and the Guarantor, all of which belong to the BPER Banking Group. The entities belonging to the BPER Banking Group are subject to the direction and co-ordination (*direzione e coordinamento*) of the Issuer.
Rating Agency	Moody’s Italia S.r.l. or Moody’s France SAS, as the case may be (“**Moody’s**”), or its successors, to the extent that at the relevant time it provides ratings in respect of the then outstanding Covered Bonds (the “**Rating Agency**”).

(b) The Covered Bonds and the Programme

Description	A covered bond issuance programme under which Covered Bonds (*Obbligazioni Bancarie Garantite Europee*) will be issued by the Issuer and will be guaranteed by the Guarantor.
Size	Up to Euro 7,000,000,000 (and, for this purpose, any Covered Bonds (*Obbligazioni Bancarie Garantite Europee*) denominated in another currency shall be translated into Euro at the date of the agreement to issue such Covered Bonds, and the Euro exchange rate used shall be included in the Final Terms) in aggregate principal amount of Covered Bonds outstanding at any one time (the "**Programme Limit**"). The Programme Limit may be increased in accordance with the terms of the Programme Agreement.
Distribution of the Covered Bonds	The Covered Bonds may be distributed on a syndicated or non-syndicated basis, in each case only in accordance with the relevant selling restrictions.
Methods of issue	The Covered Bonds will be issued in series (each a "**Series**") but on different terms from each other, subject to the terms set out in the relevant Final Terms (as defined below) in respect of such Series. Covered Bonds of different Series will not be fungible among themselves. Each Series may be issued in tranches (each a "**Tranche**") which will be identical in all respects, but having different issue dates, interest commencement dates and issue prices. The specific terms of each Tranche will be completed in the relevant Final Terms. The Registered Covered Bonds may be issued only in Series consisting of a single Tranche. The Issuer will issue Covered Bonds without the prior consent of the holders of any outstanding Covered Bonds but subject to certain conditions (see the paragraph headed "*Conditions precedent to the issuance of a new Series or Tranche of Covered Bonds*" below).
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. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Covered Bonds in the United States, the European Economic Area, the United Kingdom, France, Germany, the Republic of Italy and Japan. For a description of certain restrictions on offers and sales of Covered Bonds and on distribution of this Base Prospectus, see the section headed "*Subscription and Sale*" below.
Specified Currency	Covered Bonds may be issued in such currency or currencies as may be agreed from time to time between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms (each a "**Specified Currency**"), subject to compliance with all applicable legal, regulatory and/or central bank requirements.

Denomination of Covered Bonds	In accordance with the Conditions, and subject to the minimum denomination requirements specified below, the Covered Bonds (other than Registered Covered Bonds) will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal or regulatory or central bank requirements (see Condition 3 (*Form, Denomination and Title*)). The minimum denomination of each Covered Bond (other than Registered Covered Bonds) will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof (or, if the Covered Bonds are denominated in a currency other than Euro, the equivalent amount in such currency) or such other higher denomination as may be specified in the relevant Final Terms.
Issue Price	Covered Bonds of each Series or Tranche may be issued at their nominal amount or at a discount or premium to their nominal amount as specified in the relevant Final Terms (in each case, the "**Issue Price**" for such Series or Tranche).
Issue Date	The date of issue of a Series or Tranche of Covered Bonds, pursuant to, and in accordance with, the Programme Agreement (in each case, the "**Issue Date**" in relation to such Series or Tranche).
CB Payment Date	The dates specified as such in, or determined in accordance with the provisions of, the Conditions and the relevant Final Terms, subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention (as defined in the Conditions) (each such date, a "**CB Payment Date**").
CB Interest Period	Each period beginning on (and including) a CB Payment Date (or, in case of the first CB Interest Period, the Interest Commencement Date) and ending on (but excluding) the next CB Payment Date (or, in case of the last CB Interest Period, the Maturity Date) (each a "**CB Interest Period**").
Interest Commencement Date	In relation to any Series or Tranche of Covered Bonds, the Issue Date of the relevant Series or Tranche of Covered Bonds or such other date as may be specified as the interest commencement date in the relevant Final Terms (each an "**Interest Commencement Date**").
Form of Covered Bonds	The Covered Bonds may be issued in dematerialised form or in registered form as Registered Covered Bonds. The Covered Bonds issued in dematerialised form will be held 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 issued in dematerialised form will at all times be held in book entry form and title to such Covered Bonds will be evidenced by book entries in accordance with (i) the provisions of article 83-*bis* of the Financial Law; and (ii) the regulation, regarding post-trading systems, issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") on 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form.

Registered Covered Bonds will be issued to each holder in the form of *Namensschuld verschreibungen*, each issued with a minimum denomination indicated in the applicable Registered CB Conditions attached thereto, together with the execution of the related Registered Covered Bonds rules of organisation agreement (the "**Registered CB Rules Agreement**") in relation to a specific issue of Registered Covered Bonds.

The relevant Registered Covered Bonds (*Namensschuld verschreibungen*), together with the related Registered CB Conditions attached thereto, the relevant Registered CB Rules Agreement and any other document expressed to govern such Series of Registered Covered Bonds, will constitute the full terms and conditions of the relevant Series of Registered Covered Bonds.

In connection with the Registered Covered Bonds, references in the Base Prospectus to information being set out, specified, stated, shown, indicated or otherwise provided for in the applicable Final Terms shall be read and construed as a reference to such information being set out, specified, stated, shown, indicated or otherwise provided in the relevant Registered CB Conditions, the Registered CB Rules Agreement relating thereto or any other document expressed to govern such Registered Covered Bonds and, as applicable, each other reference to Final Terms in the Base Prospectus shall be construed and read as a reference to such Registered CB Conditions, the Registered CB Rules Agreement thereto or any other document expressed to govern such issue of Registered Covered Bonds.

A transfer of Registered Covered Bonds shall not be effective until the transferee has delivered to the Registrar a duly executed Assignment Agreement and Registered CB Rules Agreement. A transfer can only occur for the minimum denomination indicated in the applicable Registered CB Conditions or multiples thereof.

Any reference to the Covered Bondholders shall include reference to the holders of the Covered Bonds and/or the registered holder for the time being of a Registered Covered Bond (the "**Registered Covered Bondholders**") as the context may require.

Unless the context otherwise requires, any reference to Covered Bonds shall include reference to the Registered Covered Bonds.

For further details on the Registered Covered Bonds, see the section headed "Key features of Registered Covered Bonds *Namensschuld verschreibungen*" below.

Types of Covered Bonds

In accordance with the Conditions and the relevant Final Terms, the Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds, depending on the interest basis shown in the applicable Final Terms. The Covered Bonds may be Covered Bonds scheduled to be redeemed in full on the Maturity Date and Instalment Covered Bonds, depending on the redemption/payment basis shown in the applicable Final Terms. Each Series shall comprise Fixed Rate Covered Bonds only or Floating Rate Covered Bonds only or Zero Coupon Covered Bonds only as may be so specified in the relevant Final Terms only.

Fixed Rate Covered Bonds: Fixed Rate Covered Bonds will bear interest at a fixed rate, which will be payable in accordance with the relevant Final Terms, on such date as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Floating Rate Covered Bonds: Floating Rate Covered Bonds will bear interest determined separately for each Series as follows:

(i) 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 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issuer Date of the first Tranche of Covered Bonds); or

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s),

in each case, as provided 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 Series of Floating Rate Covered Bonds and as provided in the applicable Final Terms.

Other provisions in relation to Floating Rate Covered Bonds: Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Covered Bonds in respect of each CB Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s) (and indicated in the relevant Final Terms), will be payable on such CB Payment Dates, and will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Zero Coupon Covered Bonds: Under Zero Coupon Covered Bonds, no interest will be payable. Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

Bullet Covered Bonds: Covered Bonds which are scheduled to be redeemed in full on the Maturity Date thereof and without any provision for scheduled redemption other than on the Maturity Date and in relation to which an Extended Maturity Date shall apply.

Instalment Covered Bonds: Covered Bonds with a predefined amortisation schedule where, alongside interest, the Issuer will pay, on each CB Payment Date, a portion of principal until maturity, as set out in the applicable Final Terms.

Final Terms

Specific final terms will be issued and published in accordance with the generally applicable terms and conditions of the Covered Bonds, other than the Registered Covered Bonds (the "**Conditions**"), prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series or Tranche only, completes the Conditions and must be read in conjunction with the Base Prospectus (such specific final terms, the "**Final Terms**"). The terms and conditions applicable to any particular Series or Tranche are the Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Registered Covered Bond shall be set out in the relevant Registered CB Conditions, the relevant Registered CB Rules Agreement and any other document expressed to govern such particular Registered Covered Bonds.

Interest on the Covered Bonds

Except for the Zero Coupon Covered Bonds and unless otherwise specified in the Conditions and the relevant Final Terms, the Covered Bonds will be interest-bearing and interest will be calculated on the Outstanding Principal Balance of the relevant Covered Bonds. Interest will be calculated on the basis of such Day Count Fraction in accordance with the Conditions and the relevant Final Terms. Interest may accrue on the Covered Bonds at a fixed rate or a floating rate or on such other basis and at such rate as may be so specified in the relevant Final Terms and the method of

	calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche.
Redemption of the Covered Bonds	The applicable Final Terms relating to each Series of Covered Bonds will specify the basis for calculating the redemption amounts payable. The Final Terms issued in respect of Covered Bonds that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Covered Bonds may be redeemed. The Final Terms issued in respect of each issue of Covered Bonds will state whether such Covered Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders of the Covered Bonds and, if so, the terms applicable to such redemption. Except as provided above, Covered Bonds will be redeemable at the option of the Issuer prior to maturity only for tax reasons (as set out in the paragraph headed "*Tax gross-up and redemption for taxation reasons*" below).
Tax Gross-up and 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 as provided in Condition 10 (*Taxation in the Republic of Italy*). 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 accordance with the provision of Condition 10 (*Taxation in the Republic of Italy*. 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. See Condition 8(c) (*Redemption for tax reasons*). The Guarantor will not be liable to pay any additional amount due to taxation reasons following an Issuer Event of Default (as defined below).
Maturity Date	The maturity date for each Series (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 currency of the Covered Bonds. Unless previously redeemed as provided in Condition 8 (*Redemption and Purchase*), the Covered Bonds of each Series will be redeemed at their Outstanding Principal Balance on the relevant Maturity Date.
Extended Maturity Date and Pass Through Series	The applicable Final Terms relating to each Series of Covered Bonds will also provide that the Guarantor's obligations under the Covered Bond Guarantee to pay

Guaranteed Amounts (as defined below) equal to the Final Redemption Amount (as defined below) of the applicable Series or Tranche of Covered Bonds on their Maturity Date may be deferred pursuant to the Conditions and the relevant Final Terms for the period set out therein (the "**Extended Maturity Date**"). Such deferral will automatically occur, if so stated in the relevant Final Terms, if:

(A) in respect of a Series of Covered Bonds (each such Series, a "**Pass Through Series**"):

(a) a Notice to Pay has been delivered, the Issuer having failed to pay in full any amount representing the Guaranteed Amounts corresponding to the amount due (subject to the applicable grace period) in respect of the relevant Series of Covered Bonds as set out in the relevant Final Terms (the "**Final Redemption Amount**") on the Maturity Date of such Series of Covered Bons; and

(b) the Guarantor determines on the Extension Determination Date that it has insufficient funds to pay the Final Redemption Amount in respect of the relevant Series of Covered Bonds; and

(B) in respect to all Series of Covered Bonds, which all become Pass Through Series if at any time a Notice to Pay has been delivered (and, in case of a Notice to Pay delivered as result of an Article 74 Event, prior to the delivery of an Article 74 Event Cure Notice) and a Breach of Amortisation Test Notice is served.

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 Maturity Date in respect of the relevant Pass Through Series may be paid in full or in part, in accordance with the Notice to Pay, by the Guarantor on any relevant Scheduled Due for Payment Date starting from the Extension Determination Date, up to (and including) the relevant Extended Maturity Date for such Pass Through Series.

The Guarantor will be obliged to (A) apply on each Guarantor payment Date any Available Funds towards redemption in full or in part of all Pass Through Series in accordance with the Priority of Payments; and (B) use its best effort to sell, in accordance with the provisions of the Cover Pool Administration Agreement, Selected Assets, on a semi-annual basis.

Interest will continue to accrue and be payable on any unpaid amount up to the Extended Maturity Date in accordance with Condition 8(b) (*Extension of maturity*).

Notwithstanding the above, if the Covered Bonds are extended as a consequence of the occurrence of an Article 74 Event, upon termination of the suspension period and service of the Article 74 Event Cure Notice, the Issuer shall resume responsibility for meeting the payment obligations under any Series of Covered Bonds in respect of which an Extension of Maturity has occurred, and any Final Redemption Amount shall be due for payment on the last Business Day of the month on which the Article 74 Event Cure Notice has been served.

"**Extension Determination Date**" means the date falling seven Business Days after the expiry of the Maturity Date of the relevant Series or Tranche of Covered Bonds.

Status of the Covered Bonds

The Covered Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, guaranteed by the Guarantor with limited recourse to the Available Funds and will rank *pari passu* without any preference among themselves, except in respect of maturities of each Series, 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 of the Covered Bonds, from time to time outstanding.

Negative pledge

The Covered Bonds will not contain a negative pledge provision.

Cross-default

The Covered Bonds will not contain a cross-default provision. Accordingly, neither an event of default in respect of any other indebtedness of the Issuer (including, without limitation, in relation to other debt securities of the Issuer) nor an acceleration of such indebtedness will of itself give rise to an Issuer Event of Default.

Recourse

In accordance with Law 130 and with the terms and conditions of the relevant Transaction Documents (as defined below), the holders of the Covered Bonds (the "**Covered Bondholders**") will benefit from full recourse on the Issuer and limited recourse on the Guarantor limited to the Available Funds. For a more detailed description, see the section headed "*Credit Structure*", below.

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 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.

Conditions precedent to the issuance of a new Series or Tranche of Covered Bonds	The Issuer will be entitled (but not obliged) at its option, on any date and without the consent of the holders of the Covered Bonds issued beforehand and of any other creditors of the Guarantor or of the Issuer, to issue further Series or Tranches of Covered Bonds, subject to certain conditions precedent set out in the Programme Agreement, including, *inter alia*: (i) satisfaction of the Tests (as defined below) and the Liquidity Buffer Target Amount both before and immediately after such further issue of Covered Bonds; and (ii) no Issuer Event of Default or Guarantor Event of Default having occurred (collectively, together with the other conditions set out in the Programme Agreement, the "**Conditions to the Issue**"). The payment obligations of the Guarantor under the Covered Bonds Guarantee (as defined below) in respect of the Covered Bonds of any Series shall be cross-collateralised by all the assets included in the Cover Pool (as defined below) (see also the paragraph headed "*Status of the Covered Bonds*", above).
Approval, listing and admission to trading	This Base Prospectus has been approved by the CSSF as a base prospectus issued in compliance with the Prospectus Regulation. Application has been made to the Luxembourg Stock Exchange for Covered Bonds to be issued under the Programme (other than the Registered Covered Bonds) to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market and as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. 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 relevant 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. Estimate of the total expenses related to the admission to trading will be specified in the applicable Final Terms. The Registered Covered Bonds will not be listed and/or admitted to trading on any market.
Settlement	Monte Titoli/Euroclear/Clearstream and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Final Terms).

The Registered Covered Bonds will not be settled through a clearing system.

Governing law	The Covered Bonds (other than the Registered Covered Bonds) and the related Transaction Documents will be governed by Italian law except for the Swap Agreements and the English Law Deed of Charge and Assignment, which will be governed by English law. The Registered Covered Bonds (*Namensschuld verschreibungen*) will be governed by the laws of the Federal Republic of Germany save that, in any case, certain provisions (including those relating to status, limited recourse of the Registered Covered Bonds and those applicable to the Issuer and the Portfolio) shall be governed by Italian law.
Ratings	Each Series issued under the Programme may or may not be assigned a rating by Moody's as specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche or Series of Covered Bonds will be treated as having been issued or endorsed (i) by a credit rating agency established in the European Union and registered under the EU CRA Regulation or (ii) by a credit rating agency established in the UK and registered under the UK CRA Regulation but is endorsed by a credit rating agency which is established in the European Union and registered under the EU CRA Regulation or (iii) issued by a credit rating agency which is not established in the European Union but which is certified under the EU CRA Regulation, will be disclosed in the relevant Final Terms or in the Registered CB Conditions (as applicable). 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 United Kingdom and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the United Kingdom but is endorsed by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation, or (2) the rating is provided by a credit rating agency not established in the United Kingdom which is certified under the UK CRA Regulation.ESMA is obliged to maintain on its website a list

of credit rating agencies registered and certified in accordance with the EU CRA Regulation, which may be found on the following page: at http://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

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.

(c) Covered Bond Guarantee

Security for the Covered Bonds

In accordance with Law 130, the Covered Bondholders will benefit from a guarantee issued by the Guarantor pursuant to the Covered Bond Guarantee with limited recourse to the Available Funds.

The Cover Pool

The assets comprised in the Cover Pool may consist of:

(A) monetary receivables arising from Italian residential and commercial mortgage loans (respectively *mutui ipotecari residenziali* and *mutui ipotecari commerciali*) having the characteristics set out in Article 2, paragraph 1, lett. (a) and (b) of the MEF Decree with respect to loans assigned prior to the Implementation Date (as defined below) or, with respect to loans assigned on or after the Implementation Date, set out in article 129, paragraph 1, letter (d) and (f), of the CRR and article 7-*novies* of Law 130 (the "**Mortgage Loans**" or the "**Eligible Assets**" and the first portfolio of monetary claims arising from the Mortgage Loans transferred by the Initial Seller to the Guarantor pursuant to the BPER Master Transfer Agreement (the "**Initial Receivables**"), and the further portfolios of monetary claims arising from Mortgage Loans, transferred or to be transferred to the Guarantor by (i) the Initial Seller pursuant to the BPER Master Transfer Agreement and/or (ii) by the Additional Sellers (if any) pursuant to the relevant Additional Master Transfer Agreement (the "**Subsequent Receivables**" and, together with the Initial Receivables, the "**Receivables**");

(B) (i) the assets mentioned in Article 129, paragraph 1, letter (c), of the CRR which meet the requirements set forth under article 129, paragraph 1(a), of the CRR and article 7-novies of Law 130, and (ii) the Public Entity Securities or other exposures mentioned in article 129, paragraph 1, letter (a) and (b), of the CRR, provided that the assets referred to in items (i) and (ii) above are qualified as eligible assets pursuant to article 7-*novies* of Law 130 and article 129 of the CRR (the "**Integration Assets**"); and

(C) the assets referred to article 7-*duodecies,* paragraph 2, letters (a) and (b) of Law 130, provided that such assets meet the requirements to qualify as eligible assets under article 129 of the CRR and Law 130 ("**Liquid Assets**").

The Receivables and/or Integration Assets and or Liquid Assets held by the Guarantor from time to time are jointly referred to as the "**Cover Pool**").

For the purpose hereof, "**Public Entity Securities**" means any securities which meet the requirements set out under article 129, paragraph 1, let. (a) and (b) and article 7-*novies* of Law 130.

The Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee, following the service of a Notice to Pay on the Guarantor but prior to the service of a Breach of the Amortisation Test Notice or a Guarantor Default Notice on the Guarantor, the Guarantor will be obliged to pay the Guaranteed Amounts (as defined below) in respect of the Covered Bonds on the relevant Scheduled Due for Payment Date (as defined herein).

To ensure timely payment by the Guarantor, a Notice to Pay (as defined below) will be served on the Guarantor as a consequence of an Issuer Event of Default (as defined below).

The obligations of the Guarantor to make payments in respect of the Guaranteed Amounts are subject to the conditions that an Issuer Event of Default has occurred and a Notice to Pay has been served on the Issuer and on the Guarantor. The obligations of the Guarantor will accelerate with respect to all Guaranteed Amounts once a Guarantor Default Notice has been delivered to the Guarantor.

The Covered Bond Guarantee is a first demand, unconditional, irrevocable and autonomous guarantee (*garanzia autonoma*) and certain provisions of the Italian Civil Code relating to non-autonomous personal guarantees (*fidejussioni*), specified in Law 130, shall not apply. Accordingly, the obligations of the Guarantor under the Covered Bond Guarantee shall be direct, unconditional, unsubordinated obligations of the Guarantor, with limited recourse to the Available Funds, irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the Issuer.

For a detailed description, see the section headed "*Description of the Transaction Documents - Covered Bond Guarantee*" below.

(d) Issuer Events of Default, Breach of Amortisation Test, Guarantor Events of Default and Priorities of Payments

Issuer Events of Default

The following events with respect to the Issuer shall constitute "**Issuer Events of Default**":

(i) failure by the Issuer for a period of two Business Days to pay any principal amount, or for a period of 14 Business

Days in the payment of any interest on the Covered Bonds of any Series when due; or

(ii) breach by the Issuer of any material obligations under or in respect of the Covered Bonds (of any Series outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Covered Bonds and/or any obligation to comply with the Tests) (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy, in which case no notice will be required) and such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(iii) if, following the service of a Breach of Tests Notice (as defined below), the Tests are not cured by the immediately following Monthly Calculation Date; or

(iv) an Insolvency Event of the Issuer (other than, for the avoidance of doubt, resolution (*risoluzione*) and "*misure di intervento precoce*"); or

(v) an Article 74 Event.

If an Issuer Event of Default occurs, the Representative of the Covered Bondholders may at its sole discretion, and shall if so directed by an Extraordinary Resolution of the Meeting of the Organisation of the Covered Bondholders, serve a written notice (the "**Notice to Pay**") on the Issuer and Guarantor declaring that an Issuer Event of Default has occurred (specifying, in case of an Article 74 Event that the Issuer Event of Default may be temporary).

Upon the service of a Notice to Pay:

(i) each Series of Covered Bonds will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (A) such events shall not trigger an acceleration against the Guarantor, (B) in accordance with Article 7-*quaterdecies*, paragraph 3 of Law 130 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 (C) in case of the Issuer Event of Default referred to under point (e) above (I) the Guarantor, in accordance with the Law 130, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the suspension period and (II) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the Covered Bonds (and, for the avoidance of doubt, the Covered Bonds then outstanding will not be deemed to be accelerated against the Issuer);

(ii) the Guarantor will pay the Guaranteed Amounts on the Scheduled Due for Payment Date in accordance with the provisions of the Covered Bond Guarantee (see the section headed "*Description of the Transaction - Covered Bond Guarantee*" below);

(iii) the Mandatory Tests (as defined below) and the verification of the Liquidity Buffer Target Amount (as defined below) shall continue to be applied and the Amortisation Test (as defined below) and the Minimum OC Requirement (as defined below) shall be also applied;

(iv) to the extent that the Guarantor does not have sufficient funds to pay principal on a Series of Covered Bonds, such Series shall become a Pass Through Series in accordance with Condition 8(b);

(v) the Guarantor shall (only if necessary in order to effect timely due payments under the Covered Bonds), direct the Servicer to sell the Receivables, the Integration Assets or Liquid Assets in accordance with the provisions of the Cover Pool Administration Agreement;

(vi) no further Covered Bonds may be issued,

provided that in case of an Article 74 Event the effects listed in items from (i) to (vi) above will only apply for as long as the suspension of payments will be in force and effect.

"**Calculation Date**" means the 20th day of January, April, July and October or, if that day is not a Business Day, the immediate following Business Day. The first Calculation Date was on 20th of January 2015.

"**Insolvency Event**" means, in respect of:

(a) the Issuer, that the Issuer is subject to *liquidazione coatta amministrativa* as defined in the Banking Act;

(b) any bank, company or corporation other than the Issuer, that:

(i) such bank, company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, insolvency-like proceedings, composition with creditors, insolvent reorganization, turnaround/insolvency tools (*strumenti di regolazione della crisi e dell'insolvenza*) or negotiated settlement procedure (including, without limitation, *liquidazione giudiziale, liquidazione coatta amministrativa, piani di risanamento, accordi di* *ristrutturazione del debito, piano di ristrutturazione soggetto ad omologazione, composizione negoziata della crisi, concordato semplificato* and (other than in respect of the Issuer) and *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, reorganisation, dissolution and administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such bank, company or corporation are subject to a distraint (*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 rely on the advice of legal advisers 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 bank, company or corporation or such proceedings are otherwise initiated against such bank, company or corporation and, in the opinion of the Representative of the Covered Bondholders (who may rely on the advice of legal advisers selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) such bank, company or corporation takes any action for a re-adjustment of 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; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such bank, company or corporation or any of the events under Article 2448 of the Italian Civil Code occurs with respect to such bank, company or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders).

Breach of Amortisation Test

Following the service of a Breach of Amortisation Test Notice on the Guarantor:

(i) all outstanding Series of Covered Bonds shall become Pass Through Series of Covered Bonds and will rank *pari passu* among themselves in accordance with the Post-Breach of Amortisation Test Priority of Payments;

(ii) *Disposal of Assets*: the Guarantor shall use its best effort to sell Receivables and/or the Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) in accordance with the provisions of the Cover Pool Administration Agreement.

Guarantor Events of Default

Following the occurrence of an Issuer Event of Default, and the service of a Notice to Pay, the following events shall constitute "**Guarantor Events of Default**":

(i) default by the Guarantor, having sufficient Available Funds for such purpose in accordance with the applicable Priority of Payments, for a period of seven days to pay any principal amount, or for a period of 14 days in the payment of any interest on the Covered Bonds of any Series; or

(ii) breach by the Guarantor of any material obligations under the provisions of any Transaction Documents to which the Guarantor is a party (other than any obligation for the payment of principal or interest on the Covered Bonds) and (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy, in which case no notice will be required) such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(iii) an Insolvency Event of the Guarantor.

If a Guarantor Event of Default occurs, the Representative of the Covered Bondholders may at its sole discretion, and shall if so directed by an Extraordinary Resolution of the Meeting of the Organisation of the Covered Bondholders, serve a written notice on the Guarantor (the "**Guarantor Default Notice**") declaring that a Guarantor Event of Default has occurred.

Upon the service of the Guarantor Default Notice, all outstanding Covered Bonds of each Series will become immediately due and payable by the Guarantor at their Early Redemption Amount, together with any accrued interest, and they will rank *pari passu* amongst themselves.

Cross-acceleration

If a Guarantor Event of Default has occurred, each outstanding Pass Through Series or Series of Covered Bonds will accelerate at the same time against the Guarantor.

Pre-Issuer Event of Default Interest Priority of Payments

On each Guarantor Payment Date prior to the service of a Notice to Pay, the Guarantor will use Interest Available Funds, as calculated in respect of the relevant Guarantor Payment Date, to make payments or provisions in the order of priority set out below (in each case only if and to the extent that payments 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 and all taxes due and payable by the Guarantor (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such amounts) and to credit the amounts necessary to replenish the Expenses Account up to the Expense Required Amount;

(ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Guarantor's documented fees, costs and expenses, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation (the "**Expenses**"), to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such Expenses;

(iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable (including fees, costs and expenses) to the Representative of the Covered Bondholders, the Account Bank, the Back-up Account Bank, the Cash Manager, the Calculation Agent, the Guarantor Calculation Agent, the Corporate Servicer, the Asset Monitor, the Registered Paying Agent (if any), the Registrar (if any), the Subsequent Paying Agent, the Primary Paying Agent, the Investment Agent and the Servicer;

(iv) *fourth*, to pay, *pari passu* and *pro rata*, any amount due and payable to the Mortgage Pool Swap Counterparties other than any termination payment due to the relevant Mortgage Pool Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Mortgage Pool Swap Counterparties in relation to the termination of the relevant Mortgage Pool Swap to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the relevant Mortgage Pool Swap;

(v) *fifth*, *pari passu* and *pro rata*:

(A) to pay, *pari passu* and *pro rata*, (i) any amount due and payable to the Covered Bond Swap Counterparties on such Guarantor Payment Date, in respect of the Covered Bond Swap Agreements which are not currency swaps and (ii) any amount representing interest due and payable to the Covered Bond Swap Counterparties on such Guarantor Payment Date under the Covered Bond Swap Agreements which are currency swaps (other than any termination payment due to the relevant Covered Bond Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Covered Bond Swap Counterparties in relation to the termination of the relevant Covered Bond Swap, which is not a currency swap, to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the relevant Covered Bond Swap, which is not a currency swap);

(B) to credit to the Cash Reserve Account an amount required to ensure that the Cash Reserve Account is funded up to the Required Reserve Amount, as calculated on the immediately preceding Calculation Date;

(vi) *sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount necessary to cover the amounts already paid under item (i) of the Pre-Issuer Event of Default Principal Priority of Payments on any preceding Guarantor Payment Date and not yet repaid under this item on any previous Guarantor Payment Date;

(vii) *seventh*, to pay, *pro rata* and *pari passu* in accordance with the respective amounts thereof, any termination payment due and payable to the relevant Swap Counterparties under the terms of the relevant Swap Agreements following the occurrence of a Swap Trigger other than the payments referred to under items (iv) and (v)(A) above;

(viii) *eighth*, upon the occurrence of a Servicer Termination Event, to credit all remaining Interest Available Funds to the Collection Account until such Servicer Termination Event is either remedied or waived by the

Representative of the Covered Bondholders or a replacement servicer is appointed;

(ix) *ninth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) all amounts due and payable to the relevant Seller in respect of Seller's Claims (if any) under the terms of the relevant Master Transfer Agreement and the relevant Warranty and Indemnity Agreement and (ii) all amounts due and payable to the Servicer under clause 10.4.5 of the Servicing Agreement;

(x) *tenth*, to pay any interest due and payable to the Seller(s) pursuant to the terms of the Subordinated Loan Agreement(s), provided that the Tests and the Liquidity Buffer Target Amount are satisfied on the relevant Guarantor Payment Date; and

(xi) *eleventh*, to retain any remaining amounts to the credit of the Collection Account provided that, upon redemption in full or cancellation of all outstanding Pass Through Series and Series of Covered Bonds, any remaining amounts shall be paid to the Subordinated Loan Provider(s) as interest not yet paid under item (x) above,

(the "**Pre-Issuer Event of Default Interest Priority of Payment**").

Prior to the occurrence of an Issuer Event of Default and the service of a Notice to Pay on the Guarantor, if the Servicer fails to provide the Servicer Report pursuant to clause 17.1.2 of the Cash Management and Agency Agreement the Guarantor Calculation Agent will be entitled to assume that all amounts collected during the immediately preceding Collection Period fall within the definition of Interest Available Funds and that such amounts shall be applied to make payments under item (i) to item (v) (included) of the Pre-Issuer Event of Default Interest Priority of Payments. Any amount that will not be used and applied in accordance with the relevant Priority of Payments on each Guarantor Payment Date shall remain credited onto the Payments Account and shall be considered as Available Funds and applied on the immediately following Guarantor Payment Date.

"**Guarantor Payment Date**" means (a) prior to the service of a Guarantor Default Notice, the 28th day of January, April, July and October or if any such day is not a Business Day, the following Business Day or (b) following the service of a Guarantor Default Notice, the Due for Payment Date.

"**Expense Required Amount**" means Euro 50,000.

"**Sellers' Claims**" means, collectively, the monetary claims that each relevant Seller may have from time to time against the Guarantor under the relevant Master Transfer Agreement (other than in respect of the purchase price of the relevant

Receivables, Integration Assets and/or Liquid Assets) and the relevant Warranty and Indemnity Agreement.

Pre-Issuer Event of Default Principal Priority of Payments

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the Guarantor will use Principal Available Funds, as calculated in respect of the relevant Guarantor Payment Date, to make payments or provisions in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay any amount due and payable under items (i) to (v) of the Pre-Issuer Event of Default Interest Priority of Payments, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

(ii) *second*, to pay the purchase price of Subsequent Receivables, Integration Assets and/or Liquid Assets (other than those funded through the proceeds of the Subordinated Loan(s)) in the context of a Revolving Assignment or an Integration Assignment, in accordance with the provisions of the Master Transfer Agreements, as the case may be;

(iii) *third*, to pay, *pro rata* and *pari passu*:

(A) any amount representing principal due and payable to the relevant Covered Bond Swap Counterparties in respect of Covered Bonds Swaps which are currency swaps (if any) in accordance with the terms of the relevant Covered Bond Swap Agreement (other than any termination payment due to the relevant Covered Bond Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Covered Bond Swap Counterparties in relation to the termination of the relevant Covered Bond Swap, which is a currency swap, to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the relevant Covered Bond Swap which is a currency swap); and

(B) the amounts (in respect of principal) due and payable under the Subordinated Loan Agreement(s) in accordance with the relevant Subordinated Loan Agreement, provided that in any case the Asset Coverage Test, the Mandatory Tests, the Amortisation Test and the

Liquidity Buffer Target Amount are still satisfied after such payment;

(iv) *fourth*, to pay *pro rata* and *pari passu* in accordance with the respective amounts thereof any termination payment due and payable to the relevant Swap Counterparties under the terms of the relevant Covered Bond Swaps which are currency swaps following the occurrence of a Swap Trigger other than the payments referred to under items (iii)(A) above; and

(v) *fifth*, to retain any remaining amounts to the credit of the Collection Account, provided that, upon reimbursement of all outstanding Pass Through Series and Series of Covered Bonds, any remaining amounts shall be paid pari passu to the Subordinated Loan Provider(s) as amounts due under the Subordinated Loan Agreement(s) and not yet paid under item (iii)(B) of the Pre-Issuer Event of Default Principal Priority of Payments,

(the "**Pre-Issuer Event of Default Principal Priority of Payments**").

Prior to the occurrence of an Issuer Event of Default and the service of a Notice to Pay on the Guarantor, if the Servicer fails to provide the Servicer Report pursuant to clause 17.1.2 of the Cash Management and Agency Agreement the Guarantor Calculation Agent will be entitled to assume that all amounts collected during the immediately preceding Collection Period fall within the definition of Interest Available Funds and that such amounts shall be applied to make payments under item (i) to item (v) (included) of the Pre-Issuer Event of Default Interest Priority of Payments. Any amount that will not be used and applied in accordance with the relevant Priority of Payments on each Guarantor Payment Date shall remain credited onto the Payments Account and shall be considered as Available Funds and applied on the immediately following Guarantor Payment Date.

On each Guarantor Payment Date the "**Interest Available Funds**" shall include:

(A) any interest component (other than any amounts necessary to meet the Liquidity Buffer Target Amount) collected by the Servicer in respect of the Receivables, the Integration Assets and/or the Liquid Assets and credited into the Collection Account or Payments Account, as the case may be, during the Collection Period preceding the relevant Guarantor Payment Date together with any amount retained in the Collection Account from the Interest Available Funds on the preceding Guarantor Payment Date (if any);

(B) without duplication of (A) above, an amount equal to the interest components invested in Eligible Investments (if any) during the Collection Period preceding the relevant Guarantor Payment Date, following liquidation thereof;

(C) all recoveries in the nature of interest and penalties received by the Servicer and credited to the Collection Account during the Collection Period preceding the relevant Guarantor Payment Date;

(D) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts and on the Eligible Deposits during the Collection Period preceding the relevant Guarantor Payment Date;

(E) all interest amounts received from the Eligible Investments during the Collection Period preceding the relevant Guarantor Payment Date;

(F) any amount received in respect of such Guarantor Payment Date under the Mortgage Pool Swaps;

(G) any amount received in respect of such Guarantor Payment Date under the Covered Bond Swaps;

(H) any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the Mortgage Pool Swaps or the Covered Bond Swaps (as applicable), upon termination of the relevant Swap Agreement;

(I) any amount standing to the credit of the Cash Reserve Account in excess of the Required Reserve Amount; prior to the service of a Guarantor Default Notice on the Guarantor, any amount standing to the credit of the Cash Reserve Account (but excluding item (B)(b) of the definition of Required Reserve Amount calculated as at the relevant Guarantor Payment Date), in each case at the end of the Collection Period preceding the relevant Guarantor Payment Date; following the service of a Guarantor Default Notice on the Guarantor, any amount standing to the credit of the Cash Reserve Account; and on the Guarantor Payment Date on which all Covered Bonds have been redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amount standing to the credit of the Cash Reserve Account;

(J) on the Guarantor Payment Date on which all Covered Bonds have been redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amount standing to the credit of the Expenses Account; and

(K) any amount (other than the amounts already allocated under other items of the Interest Available Funds or

Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period,

but excluding: (i) any amount representing principal received in respect of such Guarantor Payment Date under the Covered Bond Swaps which are currency swaps; (ii) any amount paid by the relevant Swap Counterparty upon termination of the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable) in respect of any termination payment and, until a replacement swap counterparty has been found, exceeding the net amounts which would have been due and payable by the relevant Swap Counterparty with respect to the next Guarantor Payment Date, had the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable) not been terminated; (iii) the Collateral (if any); and (iv) any amount received by the Guarantor in respect of a Tax Credit (as defined in the relevant Swap Agreement).

"**Collateral**" means (i) prior to the occurrence of an Early Termination Date (as defined in the relevant Swap Agreement) for the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable), the amount and/or securities (if any) standing to the credit of the account into which the collateral posted pursuant to the relevant Swap Agreement is held (each a "**Swap Collateral Account**") and (ii) following the date on which the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable) is terminated, the moneys and/or securities (if any) standing to the credit of the relevant Swap Collateral Account in an amount equal to the Excess Swap Collateral.

"**Excess Swap Collateral**" means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the relevant Swap Counterparty to the Guarantor in respect of the relevant Swap Counterparty's obligations to transfer collateral to the Guarantor under the credit support annex to the relevant Swap Agreement (i) which is in excess of the termination payment (if any) that would have otherwise been payable by the relevant Swap Counterparty to the Guarantor had the collateral not been provided under the credit support annex to the relevant Swap Agreement as at the date of termination of the relevant Covered Bond Swap or Mortgage Pool Swap (as applicable) or (ii) which the relevant Swap Counterparty is otherwise entitled to have returned to it under the terms of the relevant Swap Agreement.

"**Swap Trigger**" means the occurrence of an early termination of any Covered Bond Swap and/or Mortgage Pool Swap due to either:

(i) the occurrence of a Rating Event and (ii) the failure by the relevant Swap Counterparty to take such action as is required in the relevant Swap Agreement to remedy such Rating Event; or

(ii) the occurrence of an Event of Default (as defined in the relevant Swap Agreement (which, for the avoidance of doubt, is not the same as a Guarantor Event of Default or an Issuer Event of Default) and as designated as such by the Guarantor) in respect of the relevant Swap Counterparty.

A "**Rating Event**" will have occurred in respect of a Swap Counterparty if the unsecured, unsubordinated debt obligations of such Swap Counterparty (or its guarantors) cease to be rated at least as high as the highest rating required under the relevant Swap Agreement.

"**Required Reserve Amount**" means, in respect of each relevant Guarantor Payment Date:

(A) if the Issuer's short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least "P-1" by Moody's, nil or such other amount as agreed between the Issuer and the Guarantor from time to time; otherwise

(B) an amount to be determined on each relevant Calculation Date which will be equal to the aggregate amount of:

   (a) the aggregate amount payable on the immediately following Guarantor Payment Date in respect of items (ii) and (iii) of the Pre-Issuer Event of Default Interest Priority of Payments;

   (b) the higher of (i) zero and (ii) the net amount that would be payable by the Guarantor on any relevant Covered Bond Swap in the immediately following three months or, if no Covered Bond Swap has been entered into or if it has been entered into with BPER in relation to a Series of Covered Bonds, the interest amount due under that Series of Covered Bonds in the immediately following three months; and

   (c) Euro 400,000.

On each Guarantor Payment Date, the "**Principal Available Funds**" shall include, without duplication:

(A) all principal amounts (other than any amounts necessary to meet the Liquidity Buffer Target Amount) collected by the Servicer in respect of the Receivables, the Integration Assets and/or Liquid Assets and credited to the Collection Account or the Payments Account, as the case may be, during the Collection Period preceding the relevant Guarantor Payment Date together with any amount retained in the Collection Account from the Principal Available Funds on the preceding Guarantor Payment Date (if any);

(B) all other recoveries in the nature of principal collected by the Servicer and credited to the Collection Account during the Collection Period preceding the relevant Guarantor Payment Date;

(C) all proceeds deriving from the sale, if any, of the Receivables, Integration Assets and/or Liquid Assets during the Collection Period preceding the relevant Guarantor Payment Date;

(D) without duplication with any of the proceeds deriving from the sale of the Receivables, Integration Assets and/or Liquid Assets under (c) above, all amounts of principal deriving from the liquidation of Eligible Investments;

(E) all amounts representing principal received in respect of such Guarantor Payment Date under any Covered Bond Swap which is a currency swap, if any;

(F) any amount to be transferred pursuant to item (vi) of the Pre-Issuer Event of Default Interest Priority of Payments;

(G) any amount (other than the amounts already allocated under other items of the Interest Available Funds or the Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period;

(H) all amounts of principal standing to the credit of the Eligible Deposits at the end of the Collection Period preceding the relevant Guarantor Payment Date; and

(I) following a Notice to Pay all principal amounts standing to the credit of the Liquidity Buffer Account as at the relevant Calculation Date,

but excluding (i) any amount paid by the relevant Covered Bond Swap Counterparty upon termination of the relevant Covered Bond Swap, which is a currency swap, in respect of any termination payment and, until a replacement swap counterparty has been found, exceeding the net amounts which would have been due and payable by the relevant Covered Bond Swap Counterparty with respect to the next Guarantor Payment Date, had the relevant Covered Bond Swap, which is a currency swap, not been terminated; (ii) the Collateral (if any); and (iii) any amount received by the Guarantor in respect of a Tax Credit (as defined in the relevant Swap Agreement).

"**Collection Period**" means each period commencing on (and including) the first calendar day of January, April, July and October and ending on (and including) the last calendar day of March, June, September and December of each year, and, in the case of the first Collection Period, commencing on (the

Initial Valuation Date (excluded) and ending on (and including) 30 September 2015.

"**Initial Transfer Date**" means 17 September 2015.

"**Initial Valuation Date**" means 30 June 2015.

"**Valuation Date**" means (i) in respect of the Initial Receivables, the Initial Valuation Date and (ii) in respect of the Subsequent Portfolios, the date indicated as such in the relevant offer for the purchase of Subsequent Portfolios.

Post-Issuer Event of Default Priority of Payments

On each Guarantor Payment Date following the service of a Notice to Pay, but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice, the Guarantor will use the Available Funds, as calculated in respect of the relevant Guarantor Payment Date, to make payments or provisions in the order of priority set out below (in each case only if and to the extent that payments 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 and taxes, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation;

(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, the Account Bank, the Back-up Account Bank, the Cash Manager, the Calculation Agent, the Guarantor Calculation Agent, the Corporate Servicer, the Investment Agent, the Asset Monitor, the Subsequent Paying Agent, the Primary Paying Agent, the Registered Paying Agent (if any), the Registrar (if any), the Cover Pool Manager (if any) and the Servicer;

(iii) *third*, *pro rata* and *pari passu* to (a) pay any amount due and payable to the Swap Counterparties in respect of the Swap Agreements which are not currency swaps (other than any termination payment due to the relevant Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Swap Counterparties in relation to the termination of the relevant Covered Bond Swap, which is not a currency swap, and/or Mortgage Pool Swap to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the relevant Covered Bond Swap, which is not a currency swap, and/or Mortgage Pool Swap); (b) pay interest due under the Covered Bond Guarantee in respect of each Pass Through Series and Series of Covered Bonds; and (c) credit to the Cash Reserve Account an amount required to ensure that the Cash Reserve Account is funded up to an amount equal to item (B)(b) of the definition of Required Reserve Amount;

(iv) *fourth*, to pay, *pro rata* and *pari passu*, (a) any amount due and payable, or to become due and payable, to the Swap Counterparties in respect of the Swap Agreements which are currency swaps (if any) (other than any termination payment due to the relevant Covered Bond Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Covered Bond Swap Counterparties in relation to the termination of the relevant Covered Bond Swap, which is a currency swap, to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Issuer on the same terms as the relevant Covered Bond Swap, which is a currency swap); and (b) principal due under the Covered Bond Guarantee in respect of each Pass Through Series and Series of Covered Bonds;

(v) *fifth*, to credit the Liquidity Buffer Account (if any) with an amount equal to the difference between (i) the Liquidity Buffer Target Amount and (ii) the aggregate of the amounts standing to the credit of the Liquidity Buffer Account and the nominal value of Liquid Assets which have not matured on or prior to such Guarantor Payment Date;

(vi) *sixth,* after each Pass Through Series and Series of Covered Bonds has been fully repaid or repayment in full of the Covered Bonds has been provided for (up to the Required Redemption Amount in respect of each outstanding Series of Covered Bonds), to pay *pro rata* and *pari passu* any termination payment due and payable to the relevant Swap Counterparties under the terms of the relevant Swap Agreements following the occurrence of a Swap Trigger other than the payments referred to under items (iii)(a) and (iv)(a) above;

(vii) *seventh,* after the Covered Bonds have been fully repaid or repayment in full of the Covered Bonds has been provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series or Tranche of Covered Bonds), in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) all amounts due and payable to the relevant Seller in respect of Sellers' Claims (if any) under the terms of the relevant Master Transfer Agreement and the relevant Warranty and Indemnity Agreement and (ii) all amounts due and payable to the Servicer under clause 10.4.5 of the Servicing Agreement; and

(viii) *eighth*, after the Covered Bonds have been fully repaid or repayment in full of the Covered Bonds has been provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Pass Through Series and Series or Tranche of Covered Bonds), any remaining moneys will be applied in and towards repayment in full pari passu amongst the relevant Seller(s), in accordance with the provisions of the Subordinated Loan Agreement(s), of the amounts outstanding under the Subordinated Loan Agreement(s) and/or other Transaction Documents,

(the "**Post-Issuer Event of Default Priority of Payments**").

Upon the occurrence of an Issuer Event of Default and the service of a Notice to Pay on the Guarantor, if the Servicer fails to provide the Servicer Report pursuant to clause 17.1.2 of the Cash Management and Agency Agreement the Guarantor Calculation Agent will be entitled to assume that all amounts collected during the immediately preceding Collection Period fall within the definition of Available Funds and that such amounts shall be applied to make payments under the relevant Priority of Payments.

"**Required Redemption Amount**" means, (a) in respect of a Series of Covered Bonds, the sum of the Outstanding Principal Balance of the relevant Series Covered Bonds and the product of (i) the weighted average remaining maturity of the relevant Series of Covered Bonds expressed in days and divided by 365, (ii) the Euro Equivalent amount of the Outstanding Principal Balance of the relevant Series Covered Bonds, and (iii) Negative Carry Factor * 0,50; (b) in respect of a Pass Through Series of Covered Bonds, the Outstanding Principal Balance of such Pass Through Series of Covered Bonds.

On each Guarantor Payment Date, the "**Available Funds**" shall include (i) the Interest Available Funds, (ii) the Principal Available Funds and (iii) the amounts received by the Guarantor as a result of any enforcement taken *vis-à-vis* the Issuer in accordance with Article 7-*quaterdecies*, paragraph 3, of Law 130 (the "**Excess Proceeds**").

Post-Breach of Amortisation Test Priority of Payments

On each Guarantor Payment Date following the service of a Breach of the Amortisation Test Notice but prior to the service of a Guarantor Default Notice, the Available Funds, as calculated in respect of the relevant Guarantor Payment Date, will be used to make payments in the order of priority set out below (in each case only if and to the extent that payments 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 and taxes;

(ii) *second*, to pay, pro rata and pari passu, any amount due and payable to the Representative of the Covered Bondholders, the Servicer, the Cash Manager, the Account Bank, the Back-up Account Bank, the Investment Agent, the Calculation Agent, the Guarantor Calculation Agent, the Subsequent Paying Agent, the Primary Paying Agent, the Registered Paying Agent (if any), the Registrar (if any), the Corporate Servicer, the Asset Monitor and the Cover Pool Manager (if any);

(iii) *third*, to pay *pro rata* and *pari passu*, (a) any amount due to the Swap Counterparties (other than any termination payment due to the relevant Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Swap Counterparties in relation to the termination of the relevant Covered Bond Swaps and/or Mortgage Pool Swaps to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the relevant Covered Bond Swap and/or Mortgage Pool Swap) and (b) interest and principal due under the Covered Bond Guarantee in respect of each Pass Through Series of Covered Bonds;

(iv) *fourth*, to pay, *pro rata* and *pari passu*, any termination payment due and payable to the relevant Swap Counterparties under the terms of the relevant Swap Agreements following the occurrence of a Swap Trigger other than the payments referred to under item (iii) above;

(v) *fifth*, to pay, *pro rata* and *pari passu* according to the respective amounts thereof, (i) all amounts due and payable to the relevant Seller in respect of Sellers' Claims (if any) under the terms of the relevant Master Transfer Agreement and the relevant Warranty and Indemnity Agreement and (ii) all amounts due and payable to the Servicer under clause 10.4.5 of the Servicing Agreement; and

(vi) *sixth*, to pay, *pari passu* amongst the relevant Seller(s), any remaining moneys towards repayment of amounts outstanding under the relevant Subordinated Loan Agreement(s) in accordance with the provisions of the

Subordinated Loan Agreement(s) and/or other Transaction Documents,

(the "**Post- Breach of Amortisation Test Priority of Payments**").

Post-Guarantor Event of Default Priority of Payments

On each Guarantor Payment Date following the service of a Guarantor Default Notice, the Available Funds, as calculated in respect of the relevant Guarantor Payment Date, will be used to make payments in the order of priority set out below (in each case only if and to the extent that payments 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 and taxes;

(ii) *second*, to pay, *pro rata* and *pari passu*, any amount due and payable to the Representative of the Covered Bondholders, the Servicer, the Cash Manager, the Account Bank, the Back-up Account Bank, the Investment Agent, the Calculation Agent, the Guarantor Calculation Agent, the Subsequent Paying Agent, the Primary Paying Agent, the Registered Paying Agent (if any), the Registrar (if any), the Corporate Servicer, the Asset Monitor and the Cover Pool Manager (if any);

(iii) *third*, to pay, *pro rata* and *pari passu*, (a) any amount due to the Swap Counterparties (other than any termination payment due to the relevant Swap Counterparties following the occurrence of a Swap Trigger but including, in any event, the amount of any termination payment due and payable to the relevant Swap Counterparties in relation to the termination of the relevant Covered Bond Swaps and/or Mortgage Pool Swaps to the extent of any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the relevant Covered Bond Swap and/or Mortgage Pool Swap) and (b) interest and principal due under the Covered Bond Guarantee in respect of each Pass Through Series and Series of Covered Bonds;

(iv) *fourth*, to pay, *pro rata* and *pari passu*, any termination payment due and payable to the relevant Swap Counterparties under the terms of the relevant Swap Agreements following the occurrence of a Swap Trigger other than the payments referred to under item (iii) above;

(v) *fifth*, to pay, pro rata and pari passu according to the respective amounts thereof, (i) all amounts due and payable to the relevant Seller in respect of Sellers' Claims (if any) under the terms of the relevant Master

Transfer Agreement and the relevant Warranty and Indemnity Agreement and (ii) all amounts due and payable to the Servicer under clause 10.4.5 of the Servicing Agreement; and

(vi) *sixth*, to pay, *pari passu* amongst the relevant Seller(s), any remaining moneys towards repayment of amounts outstanding under the relevant Subordinated Loan Agreement(s) in accordance with the provisions of the Subordinated Loan Agreement(s) and/or other Transaction Documents,

(the "**Post-Guarantor Event of Default Priority of Payments**" and, together with the Pre-Issuer Event of Default Principal Priority of Payment, the Pre-Issuer Event of Default Interest Priority of Payment, the Post-Issuer Event of Default Priority of Payments and the Post-Breach of Amortisation Test Priority of Payments, are collectively referred to as the "**Priorities of Payments**").

(e) Creation and Administration of the Cover Pool

Transfer of the Cover Pool

The Initial Seller and the Guarantor have entered into a master transfer agreement pursuant to which the Initial Seller (a) has transferred to the Guarantor the Initial Receivables and (b) may assign and transfer any further portfolio of Eligible Assets and/or Integration Assets and/or Liquid Assets (the "**Subsequent Portfolio**") to the Guarantor from time to time (the "**BPER Master Transfer Agreement**"), in the cases and subject to the limits on the transfer of Subsequent Portfolios, referred to below.

The Guarantor may acquire Subsequent Portfolios in order to:

(i) collateralise the issue of further Series or Tranches of Covered Bonds by the Issuer (the "**Issuance Assignment**");

(ii) invest (in whole or in part) principal amounts collected by the Servicer in respect of the Receivables, the Public Entities Securities and the Liquid Assets meeting the requirements under article 7-*duodecies*, paragraph 2, letter (a) and/or the Principal Available Funds deriving from Integration Assets and/or Liquid Assets provided that no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing (the "**Revolving Assignment**"); or

(iii) ensure compliance with the Tests, the Liquidity Buffer Target Amount and/or the Exposure Limit in accordance with the Cover Pool Administration Agreement (the "**Integration Assignment**").

Pursuant to the BPER Master Transfer Agreement, and subject to the conditions provided therein, the Initial Seller shall also be allowed to repurchase Initial Receivables and Subsequent Portfolios which have been assigned by it to the Guarantor.

The Initial Receivables and the Subsequent Portfolios will be assigned and transferred to the Guarantor without recourse (*pro soluto*) in accordance with Law 130 and subject to the terms and conditions of the relevant Master Transfer Agreement.

Pursuant to each Additional Master Transfer Agreement, any bank, other than the Initial Seller, which is and/or will be a member of the BPER Banking Group (each an "**Additional Seller**"), may accede to the Programme and sell Subsequent Portfolios to the Guarantor, subject to satisfaction of certain conditions. Any Additional Seller so acceding to the Programme shall, *inter alia*:

(i) enter into with the Guarantor an Additional Master Transfer Agreement; and

(ii) accede to the Intercreditor Agreement by signing an accession letter substantially in the form attached to the Intercreditor Agreement and the Cover Pool Administration Agreement, respectively.

Representations and warranties of the Sellers

Pursuant to a warranty and indemnity agreement entered into between the Guarantor and the Initial Seller on the Initial Transfer Date, as subsequently amended (the "**BPER Warranty and Indemnity Agreement**"), the Initial Seller has made certain representations and warranties regarding itself and the Portfolios transferred and to be transferred, respectively, by it including, *inter alia*:

(i) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;

(ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;

(iii) the existence of the Receivables, the absence of any lien attaching the Receivables, and, subject to the applicable provisions of laws and of the relevant agreements, the full, unconditional, legal title of the Initial Seller to the Receivables assigned by it; and

(iv) the validity and enforceability, subject to the applicable provisions of laws and of the relevant agreements, against the relevant Debtors of the obligations from which the Receivables arises.

For the purpose hereof:

"**Debtor**" means any person, entity or subject, also different from the Borrower, who is liable for the payment of amounts due, as principal and interest, in respect of a Receivable, an Integration Asset or a Liquid Asset, as applicable.

"**Borrowers**" means, collectively, the borrowers under the Mortgage Loans and "**Borrower**" means any one of them.

Any Additional Seller that will sell Subsequent Portfolios to the Guarantor will be, *inter alia*, required to enter into with the Guarantor a warranty and indemnity agreement providing for, *mutatis mutandis*, substantially the same terms and conditions of the BPER Warranty and Indemnity Agreement (each such agreement, an "**Additional Warranty and Indemnity Agreement**" and, together with the BPER Warranty and Indemnity Agreement, the "**Warranty and Indemnity Agreements**").

General Criteria

Each of the Receivables arising under the Mortgage Loans comprised in the Cover Pool shall comply, as at the relevant Valuation Date (unless otherwise provided), with all of the general criteria set out in the section headed "*Description of the Cover Pool – Credit and Collection policies* - *The General Criteria*" below (the "**General Criteria**").

The Receivables shall also comply with the Specific Criteria.

"**Specific Criteria**" means the criteria for the selection of the Receivables deriving from the Mortgage Loans to be included in the portfolios to which such criteria are applied, set forth in Annex 1, Part B to the Master Transfer Agreement for the Initial Receivables and in Annex 2 of the relevant offer for the sale of Subsequent Portfolios.

"**Criteria**" means jointly the General Criteria and the Specific Criteria.

Integration Assets

In accordance with the provisions of the OBG Regulations, "**Integration Assets**" shall include:

(a) the assets mentioned in article 129, paragraph 1, letter (c) of the CRR which meet the requirements set forth under article 129, paragraph 1(a), of the CRR and article 7-*novies* of Law 130; and

(b) Public Entity Securities or other exposures mentioned in article 129, paragraph 1, letter (a) and (b), of the CRR, provided that the assets referred to in items (i) and (ii) above are qualified as eligible assets pursuant to article 7-*novies* of Law 130 and article 129 of the CRR.

Liquid Assets

In accordance with the provisions of the OBG Regulations, "**Liquid Assets** shall include the assets referred to article 7-*duodecies,* paragraph 2, letters (a) and (b) of Law 130, provided that such assets meet the requirements to qualify as eligible assets under article 129 of the CRR and Law 130.

Eligible Investments

The Investment Agent may invest funds standing to the credit of the Investment Account in

(A) euro-denominated senior (unsubordinated) debt securities or other debt instruments provided that (i) such investments are immediately repayable on demand at par together with accrued and unpaid interest, disposable without penalty or loss or have a maturity date falling no later than the immediately following Liquidation Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (iii) the debt securities or other debt instruments are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least (1) either "Baa3" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or such other lower rating being compliant with the criteria established by Moody's from time to time; (2) either "Baa2" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other lower rating being compliant with the criteria established by Moody's from time to time;

(B) euro-denominated demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company (including, without limitation, the Account Bank, provided that they qualify as an Eligible Institution) qualifying as Eligible Institution and subject to supervision and examination by governmental banking authorities, provided that such investments shall have a minimum rating equal to the ones reported on the following table:

Maturity	Rating Moody's
Up to 9 months	"Baa2" in respect of long-term debt or, if no long-term rating is available, "P-2" in respect of short-term debt"
Up to 1 month	"Baa3" in respect of long-term debt or, if no long-term rating is available, "P-3" in respect of short-term debt

(C) any eligible asset and/or public entity securities and/or notes issued in the context of securitisations transactions (other than securitisation transactions were originated by a member of the same consolidated group of which the Issuer is also a member or by an entity affiliated to same central body to which the Issuer is also affiliated) and/or covered bonds, in each case pursuant to the OBG Regulations, provided that, in all cases, such investments shall from time to time comply with Moody's requirements in respect of type of asset, minimum rating and maturity;

(D) repurchase transactions in respect of euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling no later than the immediately following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) provided that either (a) the debt securities or other debt instruments underlying the repurchase transactions are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, or (b) the counterparty of the Guarantor under the repurchase transaction is, an institution whose unsecured and unsubordinated debt obligations are rated at least (1) either "Baa3" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or such other lower rating being compliant with the criteria established by Moody's from time to time; (2) either "Baa2" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other lower rating being compliant with the criteria established by Moody's from time to time; and

(E) securities lending transactions with the counterparty acting as borrower regulated under the Global Master Securities Agreements governed by English law provided that (i) the underlying securities comply with the requirements set out in paragraph (A) above, (ii) the counterparty acting as borrower of the Guarantor acting as lender under the securities lending transaction is a credit institution (including, without limitation, the Account Bank and the Account Bank, to the extent they qualify as Eligible Institutions) qualifying as an Eligible Institution, (iii) such securities lending transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling no later than the immediately following Liquidation Date, (iv) the counterparty acting as borrower of the Guarantor has acceded to the Intercreditor Agreement and has agreed to be bound by the provisions thereof and (v) in case of downgrade of the relevant counterparty below the minimum ratings by Moody's, the Guarantor shall terminate in advance the securities lending transaction within 35 calendar days from the downgrade,

provided that, in any event, (i) none of the investments set out above may consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in any such instruments at any time (ii) nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in asset-backed securities, irrespective of their subordination, status, or ranking at any time, and (iii) the relevant exposure qualifies as "credit quality step 1" or "credit quality step 2" 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 qualifies as at least "credit quality step 3" pursuant to Article 129, let. (c) of the CRR, as amended and supplemented from time to time.

(the "**Eligible Investments**").

Subordinated Loan(s)

On the Initial Transfer Date, the Initial Seller and the Guarantor have entered into a subordinated loan agreement, as subsequently amended (the "**BPER Subordinated Loan Agreement**"), pursuant to which the Initial Seller has granted to the Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to the BPER Commitment Limit. Under the provisions of such agreement, the Initial Seller shall make advances to the Guarantor in amounts equal to the relevant price of the Portfolios transferred from time to time to the Guarantor by it, including the Subsequent Portfolios to be transferred in order to prevent a breach of the Tests, the Liquidity Buffer Target Amount or the Exposure Limit. Each advance granted by the Initial Seller pursuant to the BPER Subordinated Loan Agreement shall be identified in (a) a term loan advanced to fund the purchase price of Portfolios to be sold in the framework of an Issuance Assignment (the "**Issuance Advance**"); (b) a term loan advanced for the purpose of purchasing further Subsequent Portfolios in the framework of an Integration Assignment (the "**Integration Advance**"); (c) a term loan advanced for the purpose of paying any amount required to be paid as a result of an adjustment to be made to the purchase price of Initial Receivables and/or Subsequent Portfolios in accordance with the BPER Master Transfer Agreement (the "**Price Adjustment Advance**"); and (d) financing the creation and/or the maintenance of a cash reserve composed by Integration

Assets and/or Liquid Assets (also in the form of bank deposit) or the purchase of other Liquid Assets in order to meet the Liquidity Buffer Target Amount (the "**Eligible Deposits or Liquid Assets Advance**").

Any Additional Seller that will sell Subsequent Portfolios to the Guarantor, will be required to enter into with the Guarantor a subordinated loan agreement providing for, *mutatis mutandis*, substantially the same terms and conditions of the Subordinated Loan Agreement (each such agreement, an "**Additional Subordinated Loan Agreement**" and, together with the BPER Subordinated Loan Agreement, the "**Subordinated Loan Agreements**").

(See the section headed "*Description of the Transaction Documents – BPER Subordinated Loan Agreement*", below).

Tests

The Mandatory Tests

In accordance with the Cover Pool Administration Agreement and the provisions of Law 130, for so long as any Covered Bond remains outstanding, the Issuer (also in its capacity as Initial Seller) and the Additional Sellers (if any) shall procure on a on-going basis (and, without prejudice of the OBG Regulations, such obligation shall be deemed to be complied with if the tests are satisfied on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant tests are to be carried out pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be) and until the Programme Termination Date that each of the following Mandatory Tests is met:

(i) the Nominal Value Test;

(ii) the NPV Test; and

(iii) the Interest Coverage Test.

For a more detailed description of the Mandatory Tests, see the section headed "*Credit structure*" below.

The Asset Coverage Test

Starting from the Issue Date of the first Series of Covered Bonds and until the earlier of:

(i) 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 the Conditions; and

(ii) the date on which a Notice to Pay is served on the Guarantor,

the Issuer (also in its capacity as Initial Seller) and any Seller shall procure that on any Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other

Transaction Documents, as the case may be, the Adjusted Aggregate Loan Amount is at least equal to the aggregate Outstanding Principal Balance of the Covered Bonds. For a more detailed description, see the section "*Credit structure*" below.

The Amortisation Test

For so long as any Series of Covered Bonds remain outstanding, the Issuer (also in its capacity as Initial Seller) and any Additional Seller will ensure that following the service of a Notice to Pay (but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice), on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Amortisation Test Aggregate Loan Amount is equal to or higher than the Outstanding Principal Balance of the Covered Bonds (the "**Amortisation Test**").

For a more detailed description, see the section headed "*Credit structure – Tests*" below.

Compliance with the Tests and the Amortisation Test will be verified by the Calculation Agent on each Calculation Date and/or Monthly Calculation Date and/or on any other date on which the verification of the Tests is required pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be. The calculations performed by the Calculation Agent in respect of the Tests and the Amortisation Test will be verified from time to time by the Asset Monitor in accordance with the provisions of the Asset Monitor Agreement and the Asset Monitor Engagement Letter, as the case may be. For a detailed description see the section headed "*Credit Structure – Tests*" below.

Breach of the Amortisation Test

If, after the delivery of a Notice to Pay (and, in case of a Notice to Pay delivered as result of an Article 74 Event, prior to the delivery of an Article 74 Event Cure Notice), a Breach of Amortisation Test Notice is served:

(i) *Pass Through Series:* any and all Series of Covered Bonds will become immediately Pass Through Series in accordance with the Conditions; and

(ii) *Disposal of Assets:* the Guarantor shall use its best effort to sell the Mortgage Loans, Integration Assets and/or Liquid Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Administration Agreement.

Curing a Breach of the Tests

In order to cure the breach of a Mandatory Test and/or Asset Coverage Test:

(i) prior to the occurrence of an Issuer Event of Default, the Guarantor shall to any possible extent use the Available

Funds to purchase Subsequent Portfolios in order to cure the relevant Test; or

(ii) BPER shall sell, as soon as possible and by the last day of the month during which the Test Performance Report assessing that a breach of Test has occurred has been delivered, Subsequent Portfolios to the Guarantor, which shall purchase such assets, in accordance with the BPER Master Transfer Agreement, and, to this extent, BPER shall grant the funds necessary for payment of the purchase price of the assets to the Guarantor in accordance with the BPER Subordinated Loan Agreement (and, if needed, it will increase the BPER Commitment Limit), provided that none of the events indicated in clause 8.2 (*Cause specifiche di estinzione dell'Obbligo di Acquisto dal Cedente*), paragraphs (i) (*Inadempimento di obblighi da parte del Cedente*), (ii) (*Violazione delle dichiarazioni e garanzie da parte del Cedente*), (iii) (*Mutamento Sostanzialmente Pregiudizievole*) and (v) (*Crisi*) of the BPER Master Transfer Agreement has occurred with respect to BPER; or

(iii) following the occurrence of one of the events indicated in clause 8.2 (*Cause specifiche di estinzione dell'Obbligo di Acquisto dal Cedente*), paragraphs (i) (*Inadempimento di obblighi da parte del Cedente*), (ii) (*Violazione delle dichiarazioni e garanzie da parte del Cedente*), (iii) (*Mutamento Sostanzialmente Pregiudizievole*) and (v) (*Crisi*) of the BPER Master Transfer Agreement with respect to BPER, or failing BPER to cure the relevant Tests by the last day of the month during which the Test Performance Report assessing that a breach of the relevant Test has occurred has been delivered, any Additional Seller (if any) shall sell, or shall procure that any third party seller sells, and the Guarantor shall purchase, as soon as possible, Subsequent Portfolios, provided that the conditions set out in the Cover Pool Administration Agreement are satisfied;

(iv) failing BPER or the Additional Sellers to cure the relevant Tests, by the last day of the month during which the Test Performance Report assessing that a breach of the relevant Test has occurred has been delivered, the Guarantor shall purchase, as soon as possible, Subsequent Portfolios from any entity belonging to the BPER Banking Group willing to act as Additional Seller, provided that the conditions set out in the Cover Pool Administration Agreement are satisfied,

in an aggregate amount sufficient to ensure that the relevant Tests are met as soon as practicable and in any event by not later than the date provided for in the Cover Pool Administration Agreement. The obligation of each Additional Seller to transfer Subsequent Portfolios pursuant to the provisions of paragraph (c) above will be limited to, and does not in any case exceed, the relevant percentage calculated in respect of the overall Cover Pool – on any Calculation Date and/or Monthly Calculation Date and/or any other date on which such percentage needs to be assessed for the curing of a breach of the relevant Tests – of Subsequent Portfolios sold by the relevant Additional Seller and notwithstanding the provisions of this paragraph, each of the Additional Sellers will have the right to sell, and the Guarantor shall purchase, Subsequent Portfolios in excess of such Additional Seller's *pro rata* percentage, if necessary to ensure that the relevant Tests are met.

If the relevant breach is not remedied within the immediately following Monthly Calculation Date, as evidenced by the following Test Performance Report, the Representative of the Covered Bondholders will serve a notice on the Issuer and the Guarantor stating that the breach of the relevant Tests has not been cured (a "**Breach of Tests Notice**").

Prior to the service of a Notice to Pay, as a result of the delivery of a Test Performance Report assessing a breach of any of the Tests:

(I) no further Series or Tranche of Covered Bonds may be issued; and

(II) no payments under the Subordinated Loan Agreement(s) will be effected, unless the relevant breach is remedied.

If, following the service of a Breach of Tests Notice, the breach of relevant Tests has not been cured within the immediately following Monthly Calculation Date, an Issuer Event of Default shall occur and the Representative of the Covered Bondholders shall be entitled to deliver a Notice to Pay on the Guarantor, pursuant to the provisions of the Intercreditor Agreement.

Following the service of a Notice to Pay, a breach of the Amortisation Test and/or the Minimum OC Requirement on any Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Amortisation Test is to be carried out pursuant to the Cover Pool Administration Agreement and the other Transaction Documents shall not constitute a Guarantor Event of Default.

After the service of a Notice to Pay on the Guarantor, but prior to the service of a Breach of Amortisation Test Notice, the Guarantor shall sell Receivables and/or Integration Assets and/or Liquid Assets in accordance with the provisions set out in the Cover Pool Administration Agreement.

"**BPER Commitment Limit**" means the maximum amount of the subordinated loan granted by BPER as indicated in the BPER Subordinated Loan Agreement, save for the further increase that may be determined unilaterally by the

Subordinated Loan Provider through a written notice to the Guarantor and the Issuer.

"**Test Performance Report**" means the report to be delivered, on each Calculation Date and/or Monthly Calculation Date and/or on any other day on which the Test Performance Report is to be delivered pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, by the Calculation Agent pursuant to the terms of the Cover Pool Administration Agreement.

Liquidity Buffer Target Amount

Pursuant to the Cover Pool Administration Agreement and in accordance with, and pursuant to, article 7-*duodecies* of Law 130 and the BoI Regulations, for so long as the Covered Bonds remain outstanding, the Issuer shall procure on a continuing basis and on each Calculation Date, that the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days (the "**Liquidity Buffer Target Amount**).

For a more detailed description, see the section "*Credit structure"* below.

Exposure Limit

Pursuant to the Cover Pool Administration Agreement, for so long as the Covered Bonds remain outstanding, the Calculation Agent shall verify – on the basis of the information made available to it in accordance with the Programme Documents – that the Exposure Limit has been correctly calculated on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the calculation of the Exposure Limit is to be calculated pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be.

For the purpose hereof, "**Exposure Limit** means the limits provided under article 129, paragraph 1-*bis,* of CRR, provided that pursuant to article 129 paragraph 3-*bis* of CRR, such limits shall not apply to "*cessioni di ripristino"* pursuant to the Master Transfer Agreements for purposes of complying with the Nominal Value Test.

For a more detailed description, see the section "*Credit structure"* below.

Minimum OC Requirement

Pursuant to the Cover Pool Administration Agreement, for so long as any Series of the Covered Bonds remain outstanding (i) prior to occurrence of an Issuer Event of Default and service of a Notice to Pay on the Issuer and the Guarantor, the Calculation Agent will verify the Minimum OC Requirement as part of the Nominal Value Test on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Minimum OC Requirement is to be verified pursuant to the Cover Pool Administration Agreement and the other Transaction Documents and (ii) following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the

Issuer and the Guarantor (but prior to the service on the Guarantor of an Guarantor Default Notice), the Calculation Agent shall verify (in addition to the Amortisation Test being met) that the Minimum OC Requirement is met on each on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Minimum OC Requirement is to be verified pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be.

For the purpose hereof, "**Minimum OC Requirement** means 5% minimum level of overcollateralization as per article 129 of the CRR and in accordance with the OBG Regulations.

For a more detailed description, see the section "*Credit structure"* below.

Role of the Asset Monitor

The Asset Monitor will perform specific agreed-upon procedures set out in an engagement letter entered into with the Issuer in the context of the Programme. The Asset Monitor will also perform the other activities provided under the Asset Monitor Agreement.

Sale of Selected Assets following the service of a Notice to Pay

Following the service of a Notice to Pay on the Issuer and the Guarantor (but prior to the service of a Breach of Amortisation Test Notice on the Guarantor or the service of a Guarantor Default Notice on the Guarantor), the Guarantor shall (only if necessary in order to effect timely payments under the Covered Bonds) direct – in the date falling (i) within 30 calendar days after the service of a Notice to Pay on the Issuer and the Guarantor following a non-payment referred to under Condition 11 (*Events of Default*) or (ii) in any other case of a service of a Notice to Pay on the Issuer and the Guarantor other than for a non-payment, six months prior to the Maturity Date of the Earliest Maturing Covered Bonds (the **Sale Date**) – the Servicer to sell Receivables and/or Integration Assets and/or the Liquid Assets included in the Cover Pool (other than Eligible Deposits) in accordance with the provisions of the Cover Pool Administration Agreement, subject to the pre-emption right of the relevant Seller pursuant to the relevant Master Transfer Agreement or any other Transaction Documents. The proceeds from any such sale shall be credited to the Payments Account and applied as set out in the applicable Priority of Payments.

If the offered price of such sale is insufficient to (i) redeem the relevant Pass Through Series of Covered Bonds in full and (ii) make provisions towards accumulation up to an amount equal to the Adjusted Required Redemption Amount for the Earliest Maturing Covered Bonds then outstanding, the Guarantor shall direct the Servicer to repeat its attempt to sell the Receivables and/or Integration Assets and/or the Liquid Assets (other than Eligible Deposits) on the immediately following Sale Date until the proceeds are sufficient to redeem the relevant Pass Through Series of Covered Bonds in full and to make provisions towards accumulation up to an amount equal to the Adjusted Required Redemption Amount for the Earliest Maturing Covered Bonds then outstanding.

Sale of selected assets following the service of a Breach of Amortisation Test Notice

Following the service of a Breach of Amortisation Test Notice on the Guarantor, the Guarantor or the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor, direct the Servicer or, in the absence of the Servicer, the Cover Pool Manager, to sell Receivables and/or Integration Assets and/or Liquid Assets (other than Eligible Deposits) in accordance with the provisions of the Cover Pool Administration Agreement, subject to any pre-emption right of the Initial Seller or any Additional Seller (if any) pursuant to the relevant Master Transfer Agreement. The proceeds of any such sale shall be credited to the Collection Account and applied in accordance with the relevant Priority of Payments.

For further details, see the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement*" below.

Sale of selected assets following the service of a Guarantor Default Notice

Following the service of a Guarantor Default Notice on the Guarantor, the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor (so authorised by means of execution of the Cover Pool Administration Agreement), instruct the Cover Pool Manager to use all reasonable endeavours to procure that all Receivables and/or the Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) will be sold as quickly as reasonably practicable and for the best price reasonably obtainable in each case taking into account the market conditions at that time, subject to any pre-emption right of the Initial Seller or any Additional Seller (if any) pursuant to the relevant Master Transfer Agreement. The proceeds of any such sale shall be credited to the Payments Account and applied in accordance with the relevant Priority of Payments.

For further details, see the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement*" below.

RISK FACTORS

In purchasing Covered Bonds, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Covered Bonds. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Covered Bonds.

Certain risks which are deemed not to be material as at the date of this Base Prospectus may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Covered Bonds.

The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the markets risks associated with Covered Bonds issued under the Programme are also described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in 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 nor the Guarantor based on information currently available to them or which they may not currently be able to anticipate. While the various structural elements described in this Base Prospectus are intended to lessen some of the risks for holders of Covered Bonds, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of Covered Bonds of interest or principal on such Covered Bonds on a timely basis or at all.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Words and expressions defined in "Terms and Conditions" or elsewhere in this Base Prospectus have the same meaning in this section, unless stated otherwise. Prospective investors should read the entire Base Prospectus.

Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Covered Bonds issued under the Programme.

Prospective investors are invited to carefully read this section on the risk factors before making any investment decision, in order to understand the risks related to BPER and the BPER Group and obtain a better appreciation of the BPER Group's abilities to satisfy the obligations related to the Covered Bonds issued and described in the relevant Final Terms. The Issuer deems that the following risk factors could affect the ability of the same to satisfy its obligations arising from the Covered Bonds.

The risks below have been classified into the following categories:

1. *Risks relating to the Issuer's financial position;*
2. *Risks relating to the Issuer's business activity and industry;*
3. *Risks related to the legal and regulatory environment of the Issuer;*
4. *Risks related to the internal control of the Issuer;*
5. *Risks related to the political, environmental, social and governance of the Issuer.*

1. RISKS RELATING TO THE ISSUER'S FINANCIAL POSITION

Competition

In recent years, the Italian banking sector has seen increasing price competition as a consequence of the deregulation of the banking sector, resulting in the curtailment of protectionist national laws by EU regulation and a blurring of the distinction between different types of financial services. This has led to a reduction in the difference between borrowing and lending rates and has had an impact on commissions and fees, particularly relating to dealings conducted on behalf of third parties as an intermediary bank, which could have a material adverse effect on the Group, notably in its profitability.

The Group faces substantial competition in all parts of its business, including in payments, in originating loans and in attracting deposits. Competition in originating loans emerges principally from other domestic and foreign banks, mortgage banking companies, consumer finance companies, insurance companies and other lenders and purchasers of loans.

The banking industry is moving towards consolidation, creating larger and stronger banks with which the Issuer must compete. The BPER Group cannot assure that this increased competition will not adversely affect its growth prospects, and consequently, its operations. Furthermore, the Group also faces competition from non-bank competitors that provide banking services, which activity is not as regulated and subject to the scrutiny under existing banking laws and regulations.

In addition, downturns in both the global and Italian economy could add to this pressure through increased price competition and lower transaction volumes.

If the Issuer is unable to compete with competitors' products and service offerings and retaining and strengthening customer relationships it may lose existing and/or potential business, lose its current market share or incur losses in some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on the Group's operating results, financial condition and prospects.

Interest rate fluctuation risk

Interest rate risk represents the potential impact of unexpected changes in market rates on current profits and the equity value of the Group. Interest rate risk can materialize itself into (i) income risk; and/or (ii) investment risk. Income risk derives from the possibility that an unexpected change in interest rates may reduce net interest income, being the difference between interest received and interest paid. Investment risk derives from the possibility that adverse changes in the value of assets, liabilities and off-balance sheet instruments held by the Bank, following changes in interest rates, may destabilise the equilibrium of the balance sheet.

Fluctuations in interest rates influence the financial performance of BPER Group. The results of the Group's banking operations are affected by its management of interest rate sensitivity and, in particular, changes in market interest rates. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the BPER Group's business activity, financial performance and condition, asset value and/or results of operations.

Changes in interest rate levels, yield curves and spreads may affect the Group's lending and deposit spreads. Rising interest rates in line with the yield curve can increase the BPER Group's cost of funding at a higher rate than the yield on its assets, due, for example, to a mismatch in the maturities of its assets and liabilities that are sensitive to interest rate changes or a mismatch in the degree of interest rate sensitivity of assets and liabilities with similar maturities. At the same time, decreasing interest rates can also reduce the yield on the BPER Group's assets at a rate, which may not correspond to the decrease in the cost of funding.

It should be noted, in particular, that in the first half of 2022, economic growth slowed globally due mainly to the effects of Russia's invasion of Ukraine, which helped fuel strong inflationary pressures, particularly on energy and food goods. Against this backdrop, central banks have initiated a return to less accommodative monetary policies by accelerating interest rate hikes. The increased uncertainty about the economic outlook brought about by the outbreak of the conflict has also had negative repercussions on financial markets, whose volatility has significantly increased since late February 2022. Moreover, starting from October 2023, the economic growth may also be impacted by the effects of the Israel-Palestine conflict.

Interest rate trends and fluctuations depend on different factors - such as monetary and macroeconomic policies, general trends in the national and international economy and the political conditions of Europe and Italy - that are beyond the Issuer's control.

In addition, in recent years, the Italian banking sector has been characterised by increasing competition, which, together with the low level of interest rates, has caused a sharp reduction in the difference between borrowing and lending rates, and has made it difficult for the BPER Group to maintain positive growth trends in interest rate margins.

Business concentration risk

Geographically, the Issuer's key market is the Italian region of Emilia Romagna region, where the Issuer has historically operated and where the majority of its branches are currently located.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties (as mentioned above), particularly concentrated in the Emilia Romagna region or a general deterioration in either the Italian or global economic condition, 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 impairment provision for bad and doubtful debts and other provisions.

Risks connected to a potential credit rating downgrade

BPER is rated by (i) Moody's France SAS ("**Moody's**"), (ii) Fitch Ratings Ireland Limited, Sede Secondaria Italiana ("**Fitch**") and (iii) DBRS Ratings GmbH ("**DBRS**") which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, (as amended) (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 pursuant to the EU CRA Regulation.

Credit ratings affect the cost and other terms upon which BPER is able to obtain funding. Any downgrade of the Issuer's credit rating (for whatever reason) might result in higher funding and refinancing costs, require the Issuer to post additional collateral or take other actions under some of its derivative and other contracts and could limit the Issuer's access to capital markets and adversely affect its commercial business. In addition, a downgrade of the Issuer's rating may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse effect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse effect on the Issuer's financial condition and/or the results of its operations and, therefore, on the rating assigned to the Covered Bonds where applicable.

There is no assurance that the rating agencies will maintain the current ratings or outlooks. The future evolution of the Issuer's ratings is deeply connected to, among others, the macroeconomic status quo and the rating of the Italian Government debt, the impact of the Covid-19 pandemic on asset quality, profitability, and capital of the Issuer.

Risks associated with general economic, financial and other business conditions

The results of the BPER Group are affected by the macroeconomic conditions and trends in the financial markets in general as well as by the economic condition in Italy in particular. During recessionary periods, there may be less demand for loan products and a greater number of the BPER Group's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. Fluctuations in interest rates and in ratings in the Eurozone and in the other markets in which the BPER Group operates influence its performance.

Since the first half of 2022, economic growth slowed globally due mainly to the effects of Russia's invasion of Ukraine.

The Russian invasion has indeed provoked the reaction of the other countries, which have launched heavy sanctions against Russia. These measures have generated uncertainty about what the effects on world economies might be, particularly for Europe, which, by geographic proximity and trade relations, is the macro area most vulnerable to the impacts of the crisis. As a result, the United States, Canada, the European Union and other countries and multinational organizations have announced and implemented sanctions of various types against Russia, such as the designation of a number of persons and entities, including major Russian banks, in "blocked person" lists, the removal of certain Russian banks from the SWIFT system that facilitates the transfer of money between banks, a prohibition on providing certain types of financing and financial services to certain companies or banks that are under public control or publicly owned, a prohibition on transactions with certain Russian counterparties, and the imposition of restrictions on the export to Russia of certain goods and technologies. In response to the foregoing sanctions, Russia replied with countersanctions on so-called "unfriendly" states (which specifically include countries of the European Union). Countersanctions imposed by Russia have led to a reduction in supply volumes or even a suspension of gas and oil deliveries. Should economic sanctions escalate further, Russia could take further legal action, which could affect European businesses (with their domicile in an "unfriendly State" from a Russian perspective).

Moreover, mismatches between the supply and demand of goods and services, partially as a result of the COVID-19 pandemic and, more recently, the Russia-Ukraine conflict have contributed to a rise in global inflation. To counter inflation, central banks raised interest rates during 2023. In the U.S., the Federal Reserve System terminated its large-scale asset purchases, popularly known as "quantitative easing", and announced a plan to reduce its bond holdings. In addition, the Federal Reserve System has implemented benchmark interest rate increases and has announced further increases to counteract inflationary pressures. The European Central Bank has implemented interest rate increases and discontinued its asset purchases. In addition, restrictive monetary policies and high inflation driven, in large part, by supply chain disruptions and higher energy costs from the war in Ukraine and, potentially, the Israel-Palestine conflict, may lead to a market or general economic downturn or recession. All of these factors may adversely affect the Issuer. Uncertainty surrounding the pace of future interest rate increases by major central banks has already resulted in significant volatility in financial markets around the world and such volatility may continue for a prolonged period of time. Any increase in inflation rates and/or interest rates or a potential recession or other periods of declining economic conditions, could adversely affect Issuer's business, results of operations and financial condition and have a negative effect on the securities markets generally. As of the date of this Base Prospectus, no direct or indirect effects were recorded as a result of the collapse of Silicon Valley Bank, Signature Bank or of Credit Suisse (which resulted in its acquisition by UBS), all of which occurred in March 2023. However, such situations could prove to be a signal of mounting tensions in the financial markets and such tensions could adversely affect the Issuer's business, results of operations and financial condition and have a negative effect on the securities markets generally.

Therefore, the economic outlook is still conditioned by a high degree of uncertainty that depends on the evolution and duration of the conflict, however, there are conditions for the economic expansion to proceed, thanks to the reopening of the economy in place, the solidity of the labor market, the support of fiscal policies and the savings accumulated during the pandemic.

In addition to the above, the macroeconomic framework could be influenced by: (i) new international trade policies; (ii) other global geopolitical tensions (including the trade disputes between the United States and China and the related protectionist initiatives that have been introduced); (iii) residual uncertainty about the withdrawal of the UK from the EU ("**Brexit**"); (iv) future developments of the European Central Bank's ("**ECB**") monetary policy in the Euro area, the Federal Reserve system in the Dollar area, and the policies implemented by other countries aimed at promoting competitive devaluations of their currencies; (v) the sustainability of the sovereign debt of certain countries and related recurring tensions on the financial markets; and (vi) the volatile trend in the price of oil and gas.

Alongside the international macroeconomic situation, there are also specific risks associated with the current economic, financial and political conditions in Italy. Italy is the main country in which the Issuer operates, therefore, its business is particularly sensitive to investor perception of the country's reliability and solidity of its financial condition as well as prospects for its economic growth.

Rising market tensions might negatively affect the funding costs and economic outlook of some EU member states. This, together with the risk that one or more EU member States deciding either (i) to hold referenda as to their membership of the EU or (ii) in the case of EU Member States that adopted the Euro as their national currency, to adopt an alternative currency. A potential collapse of the Eurozone could lead to the deterioration of the EU's economic and financial situation with a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses, and significant changes to financial activities both at market and retail level. The materialization of these risks could have a significant adverse impact on global economic conditions and the stability of international financial markets and a material and negative impact on BPER Group and/or on BPER Group's clients, with negative implications for BPER Group's business, results and financial position.

Lingering market tensions might affect negatively the global economy and hamper the recovery of the Euro area. Moreover, the tightening fiscal policy by some countries (including the Republic of Italy) might weigh on households disposable income and on corporate profits with negative implications for the BPER Group's business, results and financial position.

At the date of the Base Prospectus, it remains unclear whether Italy and some European economies will be able to make a significant, structural turnaround over the medium to long term. Any further deterioration of the Italian economy would have a material adverse effect on the BPER Group's business, in light of the BPER Group's significant exposure to the Italian economy.

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the Euro area, the global markets remain characterised by high uncertainty and volatility. Any further acceleration of the European sovereign debt crisis is likely to significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by the BPER Group as well as the financial resources of the BPER Group's clients holding similar securities. The occurrence of any of the above events may cause the BPER Group to suffer losses, increases in funding costs and a diminution in the value of its assets, with a potential adverse effect on the BPER Group liquidity, financial position and results of transactions including its ability to access the capital and financial markets and to refinance debt in order to meet its funding requirements.

Protracted market declines and reduced liquidity in the markets

Protracted adverse market movements, particularly the decline of asset prices, can reduce market activity and market liquidity. These developments can lead to material losses if the BPER Group cannot close out deteriorating positions in a timely manner.

In addition, protracted or steep declines in the share capital or bond markets in Italy and elsewhere may adversely affect the BPER Group’s securities activities and its asset management services, as well as its investments in and sales of products linked to the performance of financial assets.

During recessionary periods, there may be less demand for loan products and a greater number of the BPER Group’s customers may default on their loans or other obligations. The rise in interest rates may also have an impact on the demand for mortgages and other loan products. In addition, the continued liquidity crisis in other affected economies may create difficulties for the BPER Group's borrowers to refinance or repay loans to the BPER Group's loan portfolio and potentially increase the BPER Group's non-performing loan levels.

BPER Group’s access to liquidity could be damaged by the inability of the Issuer and/or BPER Group to access the debt market, including also the forms of borrowing from retail customers, thus compromising compliance with prospective regulatory requirements, with consequent negative effects on the operating results and capital and/or financial position of the Issuer and/or the Group.

Sudden changes in market conditions (interest rates and creditworthiness in particular) can have significant effects on the time to sell, including but not limited to high-quality assets. Significant liquidity shortages, and the consequent need to liquidate high-quality assets in large volumes, may change market conditions. In addition to this, the consequences of a possible decline of the price of the securities held could make it difficult to ensure that the securities can be easily liquidated under favourable economic terms.

The prolonged global economic crisis may weaken the economic recovery, partly as a consequence of the exit strategies to be implemented by the EU and the United States on withdrawal of the assistance granted in recent years to assure the liquidity and stability of the financial system. In this case, the economic and financial position of the BPER Group might suffer further adverse consequences.

Impact of events that are difficult to anticipate

The Issuer's earnings and business are affected by general economic conditions, the performance of financial markets, interest rate levels, currency exchange rates, changes in laws and regulations, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank (ECB), and competitive factors, at a regional, national and international level. Each of these factors can change the level of demand for the Issuer's products and services, the credit quality of borrowers and counterparties, the interest rate margin of the Issuer between lending and borrowing costs and the value of the Issuer's investment and trading portfolios.

2. RISKS RELATING TO THE ISSUER’S BUSINESS ACTIVITIES AND INDUSTRY

Issuer’s business activities

As a credit institution, the Issuer is exposed to the typical risks associated with the business of a financial intermediary such as credit risk, market risk, interest rate risk, liquidity and operational risks, in addition to a series of other risks typical to such businesses including strategic risk, legal risk, tax and reputational exposure.

Credit risk relates to the risk of loss arising from counterparty default (in particular, recoverability of loans) or in the broadest sense, from a failure to perform contractual obligations, including on the part of any guarantors.

The Issuer's business depends to a substantial degree on the creditworthiness of its customers. The Issuer is exposed to normal lending risks and thus may not, for reasons beyond its control (such as, for example, fraudulent behaviour of customers), have access to all relevant information regarding any particular customer, their financial position, or their ability to pay amounts owed or repay amounts borrowed. Any failure by its customers to accurately report their financial and credit position or to comply with the terms of their agreements or other contractual provisions could have an adverse effect on the Issuer's business and financial results.

Market risk relates to the risk arising from market transactions in connection with financial instruments, currencies and commodities. The Issuer's trading revenues and the extent of exposure to the interest rate risk are dependent upon its ability to effectively identify changes in the value of financial instruments caused by fluctuations in market prices or interest rates. The Issuer's financial results are also dependent upon how effectively the Issuer determines and assesses the cost of credit and manages its own credit risk through portfolio diversification.

Interest rate risk refers to the possibility of the Issuer incurring losses as a result of a poor performance in market interest rates.

Liquidity risk relates to the Issuer's ability or lack thereof to meet cash disbursements in a timely and economic manner. It is quantified as the additional cost arising from asset sales and/or negotiation of new liabilities incurred by the intermediary when required to meet unexpected commitments by way of recourse to the market. The activity of the Group may be negatively affected by the availability of liquidity in both the institutional and retail markets. The Group also borrows from the ECB. Accordingly, any adverse change to the ECB's lending policy or funding requirements, including changes to the criteria to identify the asset classes that can be accepted by the ECB as collateral for calculating the value of such assets could affect the Group's results of operations, business and financial condition.

3 RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT OF THE ISSUER

Evolving regulatory environment

As a bank, BPER operates in a highly regulated industry, and the laws and regulations applicable to BPER are subject to various and constant changes.

The Issuer's business is subject to a wide range of regulations among which by Italian and European legislation relating to the financial and banking sectors and is subject to extensive regulation and supervision by the Bank of Italy, CONSOB (the public authority responsible for regulating the Italian securities market), the European Central Bank and the European System of Central Banks.

The Issuer has as its corporate object the raising of funds for investment and the provision of credit in its various forms. The laws and regulations applicable to BPER Group govern the activities in which banks may engage and are designed to ensure financial stability, sound and prudent management of banks and other entities in banking groups, and to limit their exposure to risk. In addition, BPER must also comply with laws and regulations regarding financial services, such as those governing the marketing distribution and sales of financial products and services.

The competent supervisory authorities regulate and supervise various aspects of the Issuer's business activities, including (*inter alia*) liquidity levels and capital adequacy, minimum requirement for own funds and eligible liabilities, the prevention of money laundering and data protection, while ensuring transparency and proper conduct in relations with customers and compliance with records keeping and reporting obligations.

Regulators and supervisory authorities are taking an increasingly strict approach to regulations and their enforcement that may not be to the Issuer's benefit. In addition, the interpretation and the application by regulators of the laws and regulations to which the Group is subject may also change from time to time. A breach of any regulations by the Issuer could lead to intervention by supervisory authorities and the Issuer could come under investigation and surveillance, and be involved in judicial or administrative proceedings. The Issuer may also become subject to new regulations and guidelines that may require additional expenditures, investments in systems and people and compliance with which may place additional burdens or restrictions on the Issuer.

In particular, legislative or regulatory alterations encompassing higher prudential standards, in particular with respect to capital and liquidity, could impose a significant regulatory burden on the Issuer or on its Group and could limit the Group's ability to distribute capital and liquidity. As a result, such alterations may have a significant impact on the Issuer by, among others, requiring the Issuer to maintain a greater proportion of its assets in highly liquid but lower-yielding financial instruments, which can negatively affect its interest margin.

No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the BPER Group. Investors should consult their own advisers as to the consequences for them of the application of the above regulations as implemented by each Member State.

Bank Recovery and Resolution Directive

The Issuer is required to hold a licence for its operations and is subject to regulation and supervision by authorities in European Union and Italy. Extensive regulations are already in place and new regulations and guidelines are introduced relatively frequently. The rules applicable to banks and other entities in banking groups are mainly provided by implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the "**Basel Committee**") and aim at preserving their stability and resilience and limiting their risk exposure.

The Issuer is also subject to extensive regulation and supervision by the Bank of Italy, CONSOB, the European Central Bank ("**ECB**") and the European System of Central Banks. The banking laws to which the Issuer is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the European Union that will affect the Issuer including proposed regulatory initiatives that could significantly alter the Issuer's capital requirements.

Moreover, the Issuer is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process ("**SREP**"). Following the Supervisory Review and Evaluation Process (SREP) the ECB provides, on an annual basis, a final decision of the capital requirement that BPER must comply with a consolidated level. However, there can be no assurance that the total capital requirements imposed on the Issuer or the BPER Group from time to time may not be higher than the levels of capital available at such time. Also, there can be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further own funds requirements on the Issuer or the BPER Group.

In this context, a few other relevant provisions are the implementation of Directives 2014/49/EU (Deposit Guarantee Schemes Directive) of 16 April 2014 and the adoption of the Regulation (EU) no. 806/2014 of the European Parliament and the Council of 15 July 2014 (Single Resolution Mechanism Regulation, – so called "**SRMR**"), which may determine a significant impact on the economic and financial position of the Bank and the BPER Group, as such rules set the obligation to create specific funds with financial resources that shall be provided, starting from 2015, by means of contributions by the credit institutions.

Moreover, the Directive 2014/59/EU of the European Parliament and the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive, "**BRRD**", as amended by Directive 879/2019/EU, "**BRRD II**"), which, inter alia, introduced the so called "bail-in", Regulation 2019/876/EU of the European Parliament and the Council, which amends Regulation 575/2013/EU (s.c. "**CRR II**") and the Directive of the Parliament and the Council 2019/878/EU, which amends Directive 2013/36/EU (s.c. "**CRD V**") must be taken into consideration and put in force by BPER Group.

The BPER Group is subject to the BRRD, as amended from time to time, which is intended to enable a wide range of actions that could be taken towards institutions considered to be at risk of failing (i.e. the sale of business, the asset separation, the bail-in and the bridge bank). The execution of any action under the BRRD towards the BPER Group could materially affect the value of, or any repayments linked to the Covered Bonds.

On 15 October 2013, the Council of the European Union adopted the Council Regulation (EU) No. 1024/2013 granting specific tasks to the ECB as per prudential supervision policies of credit institutions (the "**SSM Regulation**") in order to establish a single supervisory mechanism (the "Single Supervisory Mechanism" or "**SSM**"). From 4 November 2014, the SSM Regulation has given the ECB, in conjunction with the national regulatory authorities of the Eurozone and participating Member States, direct supervisory responsibility over "banks of significant importance" in the Eurozone.

Notwithstanding the fulfilment of the relevant criteria, the ECB, on its own initiative after consulting with each national competent authority or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards. BPER and the BPER Group have been classified, respectively, as a significant supervised entity and a significant supervised group within the meaning of Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the European Central Bank and each national competent authority and with national designated authorities (the "**SSM Framework Regulation**") and, as such, are subject to direct prudential supervision by the ECB in respect of the functions granted to ECB by the SSM Regulation and the SSM Framework Regulation.

For further details, please see the section headed "*Regulatory Section"* of this Base Prospectus.

Risks arising from pending legal proceedings

The Issuer operates in a legal and regulatory context that exposes it to a wide range of potential disputes related, for example, to the terms and conditions applied to customers, the nature and characteristics of the financial products and services provided, administrative irregularities, claw back actions and labour/employment lawsuits. Accordingly, the Issuer is party to a number of administrative, civil and tax proceedings as well as judicial and regulatory investigations relating to its activities as part of the ordinary course of business, the outcome of which cannot be predicted.

Although management of the BPER Group believes that the provisions that have been made in the respective financial statements are appropriate, a worse than expected outcome of any legal proceedings might cause such provisions to be insufficient to cover the BPER Group's liabilities and have a material adverse effect on the financial condition and results of operations of the BPER Group.

4. RISKS RELATED TO THE INTERNAL CONTROL OF THE ISSUER

Operational risk

Operational risk relates to the risk of loss arising from shortcomings, failures, violations, errors, interruptions, damages in internal processes, people or systems, including, but not limited to IT systems on which BPER is highly dependent to perform its business activities, and from external unforeseeable events, including, but not limited to the risk of fraud by employees and third parties, unauthorised transactions by employees or operational errors, including errors resulting from faulty information technology, telecommunication systems, IT virus, cyber attacks or malfunction of electronic and/or communication services.

For business continuity management, BPER applies a unique organisational model with distributed responsibilities, which allows exercising responsibilities for governance and control. The model envisages an annual review of the analysis performed to identify critical processes and resources, in order to take account of organisational changes that have occurred in the period, the status concerning recovery solutions and, in general, all refinements needed to address the outcome of testing performed in the reference period. For the measure of the operational risk, the Group adopted the Traditional Standardised Approach (TSA). Any failure or weakness in these systems, could however adversely affect the Issuer's financial performance and business activities.

Reputational risk

Reputational risk is understood as the current or prospective risk of a decline in earnings or capital arising from an adverse perception of the Group by customers, employees, counterparties, shareholders, investors or Supervisory Authorities with which the Group may be related.

BPER implemented a reputational risk management framework, the objective of which is to monitor, manage and mitigate reputational risk, as well as to provide a structured periodic situation report thereon and measures that need to be taken to mitigate any areas of vulnerability that may exist. The framework includes the following components: identification and assessment of reputational risk, monitoring the Group’s exposure to reputational risk, management of particularly critical reputational events, by means of a functional escalation process and the determination of short and long-term responses and mitigation and periodic reporting.

Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks, including risks that the Issuer fails to identify or anticipate. If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, its reputation as well as its revenues and profits may be negatively affected. Any failure to execute the Group’s reputational risk management framework successfully could materially adversely affect the Group’s business activities, financial condition and results of operations.

Systemic risk

Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or default by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. The risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Issuer interacts on a daily basis and therefore could adversely affect BPER.

In order to get access to more efficient liquidity sources BPER has established a first covered bond programme (the “**First Covered Bond Programme**”), structured on a soft bullet basis, on a residential mortgage cover pool. A third covered bond programme (the “**Third Covered Bond Programme**”), structured on a hard or soft bullet basis, again on a residential and commercial mortgage cover pool, has been inherited as a consequence of BPER’s take-over and subsequent merger of Banca Carige S.p.A. (for further details, see the section headed “*Description of the Issuer and the Initial Seller*” below). Risks related to such financial structured instruments are connected to the capacity of BPER to maintain the required over collateralisation ratio between the pools assigned as guarantees and the covered bonds issued under both the Second and the Third Covered Bond Programmes. Should a combination of a sharp decrease of the residential or commercial mortgage loan production and an appreciable increase of the prepayment rate occur, such circumstance could affect BPER's capacity to ensure a suitable claim substitution according to either the Second and the Third Covered Bond Programmes' provisions.

Failure to satisfy the structure requirements under either the First Covered Bond Programme or the Third Covered Bond Programme could adversely affect the Issuer's financial performance and business activities.

5. <u>RISKS RELATED TO THE POLITICAL, ENVIRONMENTAL, SOCIAL AND GOVERNANCE OF THE ISSUER</u>

Catastrophic events, terrorist attacks and similar events

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

Climate change risks

Climate change can create (i) transition risks associated with the move to a carbon neutral economy through policy, regulatory and technological changes; (ii) physical risks connected to weather impacts, changes and unpredictability; and (iii) derivative risks, which originate from parties, which may suffer losses from the effects of climate change and may seek compensation from those they hold responsible. Any of these risks can result in financial losses that could impair asset values and the creditworthiness of BPER Group customers and BPER Group, adversely impacting BPER Group.

In addition, climate change may imply, among others, three primary drivers of financial risk that could adversely affect BPER Group:

- Credit risks: Physical climate change could lead to increased credit exposure and companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts.
- Market risks: Market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing frequency of severe weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation.
- Operational risks: Severe weather events could directly affect business continuity and operations both of customers and the Group's.

Reputational risk could also arise from shifting sentiment among customers and increasing attention and scrutiny from other stakeholders (investors, regulators, etc.) on its response to climate change.

Any of the conditions described above could have a material adverse effect on the business, financial condition and results of operations of the Group.

<u>Factors that may affect the Guarantor's ability to fulfil its obligations under or in connection with the Covered Bonds issued under the Programme</u>

The risks below have been classified into the following categories:

1. *Risks relating to the Guarantor;*
2. *Risks relating to the underlying.*

1. <u>RISKS RELATING TO THE GUARANTOR</u>

Guarantor is only obliged to pay guaranteed amounts on the Scheduled Due for Payment Date

The Guarantor has the obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee upon the service by the Representative of the Covered Bondholders on the Guarantor:

(a) following the occurrence of an Issuer Event of Default, of a Notice to Pay;

(b) following the occurrence of a breach of the Amortisation Test, of a Breach of Amortisation Test Notice; and

(c) following the occurrence of a Guarantor Event of Default, of a Guarantor Default Notice.

A Notice to Pay can only be served if an Issuer Event of Default occurs. A Breach of Amortisation Test Notice can only be served if a breach of the Amortisation Test occurs. A Guarantor Default Notice can only be served if a Guarantor Event of Default occurs.

Following the service of a Notice to Pay on the Guarantor (provided that (i) an Issuer Event of Default has occurred and (ii) no Breach of Amortisation Test Notice or a Guarantor Default Notice has been served) under the terms of the Covered Bond Guarantee, the Guarantor will be obliged to pay Guaranteed Amounts on the Scheduled Due for Payment Date. Such payments will be subject to and will be made in accordance with the Post-Issuer Event of Default Priority of Payments.

Pursuant to the Covered Bond Guarantee, following the service of a Notice to Pay, but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice, the Guarantor shall substitute the Issuer in every and all obligations of the Issuer towards the Covered Bondholders, so that the rights of payment of the Covered Bondholders in such circumstance will only be the right to receive payments of the Scheduled Interest and the Scheduled Principal from the Guarantor on the Scheduled Due for Payment Date. In consideration of the substitution of the Guarantor in the performance of the payment obligations of the Issuer under the Covered Bonds, the Guarantor (directly or through the Representative of the Covered Bondholders) shall exercise, on an exclusive basis, the right of the Covered Bondholders *vis-à-vis* the Issuer and any amount received, collected or recovered from the Issuer will form part of the Available Funds.

Furthermore, please note that the above restrictions are provided for by the Law 130 and contractual arrangements under the Covered Bond Guarantee and the other Transaction Documents, and there is no case-law or other official interpretation on this issue. Therefore, it cannot be excluded that a court might uphold a Covered Bondholder’s right to act directly against the Issuer.

Extendable obligations under the Covered Bond Guarantee

With respect to the Series of Covered Bonds in respect of which the Extended Maturity Date is specified as applicable in the relevant Final Terms, if the Issuer has failed to redeem all of those Covered Bonds in full on the Maturity Date or within two Business Days thereafter or an Issuer Event of Default is otherwise outstanding, where the Guarantor is required under the Covered Bond Guarantee to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Maturity Date of the relevant Series of Covered Bond and has insufficient funds available under the relevant priority of payments to pay such amount on the Extension Determination Date, then the obligation of the Guarantor to pay such guaranteed amounts shall automatically be deferred to the relevant Extended Maturity Date. However, to the extent the Guarantor has sufficient moneys available to pay in part the guaranteed amounts in respect of the relevant Series of Covered Bonds, the Guarantor shall make such partial payment in accordance with the relevant Priorities of Payments, as described in Condition 8 (*Redemption and Purchase*), on the relevant Maturity Date and any subsequent Scheduled Payment Date falling prior to the relevant Extended Maturity Date. Payment of the unpaid amount shall be deferred automatically until the applicable Extended Maturity Date. Interest will continue to accrue and be payable on the unpaid guaranteed amount on the basis set out in the applicable Final Terms or, if not set out therein, Condition 8 (*Redemption and Purchase*), mutatis mutandis. In these circumstances, except where the Guarantor has improperly withheld or refused to apply moneys in accordance with the relevant Priorities of Payments in accordance with Condition 8 (*Redemption and Purchase*), failure by the Guarantor to pay the relevant guaranteed amount on the Maturity Date or any subsequent CB Payment Date falling prior to the Extended Maturity Date (or the relevant later date in case of an applicable grace period) shall not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay any guaranteed amount or the balance thereof, as the case may be, on the relevant Extended Maturity Date and/or pay any other amount due under the Covered Bond Guarantee will (subject to any applicable grace period) constitute a Guarantor Event of Default.

The Issuer shall notify to the Bank of Italy the extension of maturity of the Covered Bonds pursuant to Condition 8(b), paragraph (x) (*Extension of maturity*) within 10 (ten) calendar days from the occurrence thereof.

No gross-up for taxes by the Guarantor

Notwithstanding anything to the contrary in this Base Prospectus, if withholding for or on account 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.

Limited resources available to the Guarantor

The obligation of the Guarantor to fulfil its obligation under the Covered Bonds Guarantee will be limited recourse to the Available Funds.

The Guarantor's ability to meet its obligations under the Covered Bond Guarantee will depend on the realisable value of the Cover Pool, the amount of principal and interest generated by the Cover Pool and the timing thereof, the proceeds of any Eligible Investments and amounts received from the Swap Counterparties and the Account Banks. 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, the proceeds of the Cover Pool, the proceeds of any Eligible Investment and the amounts received from the Swap Counterparties and the Account Banks may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders. If the Secured 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 Guarantor for the shortfall. There is no guarantee that the Guarantor will have sufficient funds to pay that shortfall.

Covered Bondholders should note that the Amortisation Test – which applies after the occurrence of an Issuer Event of Default – has been structured to ensure that the outstanding nominal amount of the Cover Pool shall be equal to, or greater than, the nominal amount of the outstanding Covered Bonds taking into account the relevant negative cost of carry. In addition, Law 130 and BoI Regulations provides for certain further mandatory tests aimed at ensuring, *inter alia*, that (a) the net present value of the Cover Pool (net of certain costs) shall be equal to, or greater than, the net present value of the Covered Bonds; and (b) the amount of interests and other revenues generated by the Cover Pool (net of certain costs) shall be equal to, or greater than, the interests and costs due by the Issuer under the Covered Bonds.

However, there is no assurance that there will not be a shortfall. For further details, see the section headed "*Maintenance of the Cover Pool*" below.

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 Servicer has been (and any Successor Servicer may be) appointed to service the Cover Pool and the Asset Monitor has been appointed to monitor compliance with the Mandatory Tests, the Asset Coverage Test, the Liquidity Buffer Target Amount, the Exposure Limit and, following the occurrence of an Issuer Event of Default, the Amortisation Test and the Minimum OC Requirement. In the event that any of those parties fails to perform its respective obligations under the relevant agreement to which it is a party, the realisable value of the Cover Pool or any part thereof may be affected, 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 Servicer has failed to adequately administer the Cover Pool, this may lead to higher incidences of non-payment or default by Debtors.

If a Servicer Termination Event in respect of the Servicer occurs pursuant to the terms of the Servicing Agreement, then the Guarantor and/or the Representative of the Covered Bondholders will be entitled to terminate the appointment of the relevant Servicer and appoint a Successor Servicer in its place. There can be no assurance that a substitute servicer with sufficient experience in administering the Cover Pool would be found who would be willing and able to service the Cover Pool on the terms of the Servicing Agreement. The ability of a Successor 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 Successor 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 has no obligation to advance payments if any Debtor fails to make any payments in a timely manner. Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

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

Reliance on Swap Counterparties

Following the service of a Notice to Pay, the Guarantor expects to meet its obligations under the Covered Bonds and the Covered Bond Guarantee primarily from collections in respect of the Cover Pool. To protect the Guarantor from (a) the basis risk and (b) the interest rate risk on the Cover Pool, the Guarantor may enter into any Mortgage Pool Swaps with one or more Mortgage Pool Swap Counterparties on the relevant Issue Date. In addition, to provide a hedge against interest rate risk, basis risk or (to the extent that Covered Bonds are denominated in a currency other than Euro) currency risks in respect of amounts received under the Mortgage Pool Swaps and amounts to be paid in respect of the Covered Bonds, the Guarantor has entered into one and may in the future enter into additional Covered Bond Swaps with one or more Covered Bond Swap Counterparties.

If the Guarantor fails to make timely payments of amounts due under any Swap Agreement, then it will (unless otherwise stated in the relevant Swap Agreement) have defaulted under that Swap Agreement. A Swap Counterparty is (unless otherwise stated in the relevant Swap Agreement) only obliged to make payments to the Guarantor as long as the Guarantor complies with its payment obligations under the relevant Swap Agreement. If the relevant Swap Counterparty fails to provide the Guarantor with all amounts (denominated in the relevant currency) owing to the Guarantor (if any) on any payment date under the relevant Swap Agreement, or should the relevant swap transactions be otherwise terminated, then the Guarantor will 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 confirmation by the Rating Agency, the Guarantor may hedge only part of the potential 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 Counterparty. There can be no assurance that the Guarantor will have sufficient funds available to make a termination payment under the relevant Swap Agreement, nor can there be any assurance that the Guarantor will be able to enter into a replacement swap agreement, or, if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Covered Bonds by the Rating Agency. In addition, the Swap Agreements may provide that, notwithstanding the relevant Swap Counterparty ceasing to be assigned the requisite ratings and failure by such Swap Counterparty to take the remedial action set out in the relevant Swap Agreement, the Guarantor may not terminate such Swap Agreement until a replacement swap counterparty 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 requisite ratings.

If the Guarantor is obliged to pay a termination payment under any Swap Agreement, such termination payment may rank *pari passu* with (or, under certain circumstances, ahead of) certain amounts due on the Covered Bonds and with amounts due under the Covered Bond Guarantee. Accordingly, the obligation to pay a termination payment may adversely affect the ability of the Issuer and the Guarantor to meet their respective obligations under the Covered Bonds or the Covered Bond Guarantee.

VAT Group

Italian Law no. 232 of 11 December 2016 (the "**2017 Budget Law**") has introduced new rules regarding the creation of a single entity for value added tax purposes (articles from 70-*bis* to 70-*duodecies* of Presidential Decree no. 633 of 26 October 1972) (the "**VAT Group Regime**"), which, if so elected by an entity, apply from 1 January 2019. Pursuant to such rules, the entity acting as VAT group representative is responsible for the exercise of the rights and obligations arising from the application of the VAT Group Regime provisions. All other entities included in the VAT group are jointly and severally liable with the VAT group representative vis-à-vis the Italian Tax Authority for the sums due as a result of the liquidation and controlling activities of the Italian Tax Authority in respect of the VAT provisions.

On 31 October 2018, the Italian Tax Authority issued the circular letter no. 19 whereby it has specified – with respect to asset management companies (*società di gestione del risparmio - SGR*) - that funds, as pools of segregated assets, would not be held directly responsible for the sums due as taxes, interest and penalties as a consequence of the liquidation and controlling activities of the Italian Tax Authority, except for the VAT payment obligations specifically related to their own assets. With ruling no. 487 of 15 November 2019, the Italian Revenue Agency confirmed the same principle also in respect of Italian securitisation vehicles incorporated under Law 130. Considering the brief guidelines and the absence of case law, it is still not entirely clear to what extent such limitation would apply in practice.

The Issuer has opted for the new VAT Group Regime in respect of the Issuer's group (including the Guarantor) with effect from 1 January 2019 and for the three-year period 2019-2021, with tacit renewal for each subsequent year unless revoked. Pending further clarification on the scope of application of the new rules, the Issuer has undertaken to hold harmless and indemnify on demand the Guarantor for any costs, expenses, losses, liabilities, damages, fines, penalties and other charges which the Guarantor may incur as a result of its participation in the VAT group to the fullest extent permitted by applicable laws, with the exception of those costs, expenses, interests, penalties, liabilities and other charges which are directly attributable to the Guarantor on its ordinary course of business and without prejudice to the obligations and rights of the Issuer as "*rappresentante*" of the VAT group in accordance with the 2017 Budget Law.

2. <u>RISKS RELATING TO THE UNDERLYING</u>

Limited description of the Cover Pool

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

(a) any Additional Seller or the Issuer selling further Subsequent Portfolios to the Guarantor;

(b) any Additional Seller or the Issuer, repurchasing certain Receivables, Integration Assets and Liquid Assets in accordance with the relevant Master Transfer Agreement; and

(c) the Servicer being granted by the Guarantor certain power to renegotiate the terms and conditions of the Receivables arising under the Mortgage Loans comprised within the Cover Pool.

However, each Receivable arising under the Mortgage Loans will be required to meet the Criteria and to comply with the representations and warranties set out in the relevant Warranty and Indemnity Agreement – see the section headed "*Description of the Transaction Documents – BPER Warranty and Indemnity Agreement*", below. In addition, the Mandatory Tests, the Asset Coverage Test and the Liquidity Buffer Target Amount are intended to ensure, *inter alia*, that the ratio of the Guarantor's assets to the Covered Bonds is maintained at a certain minimum level and the Calculation Agent will provide on each Calculation Date a report that will set out, *inter alia*, certain information in relation to the Mandatory Tests, the Asset Coverage Test and the Liquidity Buffer Target Amount.

Nonetheless, the main Cover Pool composition details are available on the Issuer's website and updated on a quarterly basis pursuant to article 7-*septiesdecies* of the Law 130 and the BoI Regulations.

No due diligence on the Cover Pool

None of the Arranger, any Dealer, the Issuer, the Guarantor or the Representative of the Covered Bondholders has undertaken or will undertake any investigations, searches or other actions in respect of any of the

Receivables and/or the Integration Assets and/or Liquid Assets. Instead, the Guarantor will rely on the General Criteria and the Specific Criteria and the relevant representations/warranties given by the Sellers in the relevant Warranty and Indemnity Agreement. The remedy provided for in the relevant Warranty and Indemnity Agreement for breach of representation or warranty is for the relevant Seller to indemnify and hold harmless the Guarantor in respect of losses arising from such breach and for the Guarantor to exercise an option right, pursuant to Article 1331 of the Italian Civil Code, to retransfer the Receivables, the Integration Assets or Liquid Assets in respect of which a breach of the representation or warranty has occurred, in accordance with the terms and conditions set out in the relevant Warranty and Indemnity Agreement. Such obligations are not guaranteed by nor will they be the responsibility of any person other than the relevant Seller and neither the Guarantor nor the Representative of the Covered Bondholders will have recourse to any other person in the event that the relevant Seller, for whatever reason, fails to meet such obligations. However, pursuant to the Cover Pool Administration Agreement, the assets which do not qualify as Eligible Cover Pool are excluded by the calculation of the Tests and, in case of breach of the Tests due to such exclusion, the Issuer or, failing the Issuer to do so, the relevant Additional Seller shall integrate the Cover Pool.

Maintenance of the Cover Pool

Pursuant to the terms of the BPER Master Transfer Agreement and Cover Pool Administration Agreement, the Issuer agreed to transfer Subsequent Portfolios to the Guarantor and the Guarantor has agreed to purchase Subsequent Portfolios in order to ensure that the Cover Pool complies with the Tests. The Initial Receivables purchase price has been funded through the proceeds of the first advance under the BPER Subordinated Loan Agreement and the purchase price for the Subsequent Portfolios transferred by the Issuer will be funded through (a) any Available Funds available in accordance with the Pre-Issuer Event of Default Principal Priority of Payments in case of a Revolving Assignment; and (b) the proceeds of the BPER Subordinated Loan Agreement in case of an Issuance Assignment; (c) the proceeds of the BPER Subordinated Loan Agreement and, subject to certain conditions, any Available Funds available in accordance with the Pre-Issuer Event of Default Principal Priority of Payments in case of an Integration Assignment.

If an Additional Seller accedes to the Programme, pursuant to the terms of the relevant Additional Master Transfer Agreement and the Cover Pool Administration Agreement, such Additional Seller will agree to transfer Subsequent Portfolios to the Guarantor and the Guarantor will agree to purchase such Subsequent Portfolios. The purchase price for the Subsequent Portfolios transferred by such Additional Seller will be funded through (i) any Available Funds available in accordance with the Pre-Issuer Event of Default Principal Priority of Payments, in case of a Revolving Assignment; (ii) the proceeds of the relevant Additional Subordinated Loan Agreement, in case of an Issuance Assignment; and (iii) the proceeds of the relevant Additional Subordinated Loan Agreement and, subject to certain conditions, any Available Funds available in accordance with the Pre-Issuer Event of Default Principal Priority of Payments, in case of an Integration Assignment.

Under the terms of the Cover Pool Administration Agreement, the Issuer has undertaken (and the Additional Seller(s), if any, will undertake upon accession to the Cover Pool Administration Agreement) to ensure that on each Calculation Date and/or Monthly Calculation Date and/or and on each other day on which the Asset Coverage Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Cover Pool complies with the Tests. If, on any Calculation Date and/or Monthly Calculation Date and on each other day on which the Tests is to be carried out pursuant to the Transaction Documents, the Cover Pool does not comply with the Tests, then the Guarantor shall, prior to the occurrence of an Issuer Event of Default, to any possible extent, use the Available Funds to purchase Subsequent Portfolios in order to cure the relevant Test. To the extent the Available Funds are not sufficient, the Issuer shall sell to the Guarantor Subsequent Portfolios, in an amount sufficient to permit to satisfy the Tests on the next following Monthly Calculation Date, and the purchase price of such Subsequent Portfolios will be funded through the proceeds of the relevant Subordinated Loan Agreement. In the event the Issuer fails to cure the relevant Test, any Additional Seller (if any) shall sell, and the Guarantor shall purchase, as soon as possible, sufficient Subsequent Portfolios. If the Tests are not satisfied on the immediately following Monthly Calculation Date, the Representative of the Covered Bondholders will serve a Breach of Tests Notice on the Issuer and the Guarantor. The Representative of the Covered Bondholders shall revoke the Breach of Tests Notice if, on or before the immediately following Monthly Calculation Date, the Tests are subsequently satisfied and without prejudice to the obligation of the Representative of the Covered

Bondholders to serve a Breach of Tests Notice in the future. If, following the delivery of a Breach of Tests Notice, the Tests are not satisfied on or before the immediately following Monthly Calculation Date, the Representative of the Covered Bondholders may, at its sole discretion, and shall if so directed by an Extraordinary Resolution of the Meeting of the Organisation of the Covered Bondholders, serve a Notice to Pay on the Issuer and the Guarantor.

If the aggregate collateral value of the Cover Pool has not been maintained in accordance with the terms of the Tests, the realisable value of the Cover Pool or any part thereof (both before and after the occurrence of a Guarantor Event of Default) and/or the ability of the Guarantor to make payments under the Covered Bond Guarantee may be affected. However, failure to satisfy the Amortisation Test on any Calculation Date following a service of a Notice to Pay will entitle the Representative of the Covered Bondholders to serve a Breach of Amortisation Test Notice on the Guarantor pursuant to the provisions of the Intercreditor Agreement. Following the service of a Breach of Amortisation Test Notice on the Guarantor all outstanding Series of Covered Bonds shall become Pass Through Series and will rank *pari passu* among themselves in accordance with the Post-Breach of Amortisation Test Priority of Payments. To avoid any doubt the service of a Breach of the amortisation Test Notice shall not constitute a Guarantor Event of Default.

Subject to receipt of the relevant information from the Issuer, the Asset Monitor will perform specific agreed upon procedures set out in an engagement letter entered into with the Issuer on or about the Initial Issue Date, as subsequently, amended, supplemented or replaced, concerning the compliance of the Programme with Title I-bis of Law 130 and the BoI Regulations and including, *inter alia*, the calculation performed by the Calculation Agent in respect of the Mandatory Tests, the Assets Coverage Test, the Liquidity Buffer Target Amount, the Exposure Limit and, following the occurrence of an Issuer Event of Default, the Amortisation Test and the Minimum OC Requirement, with a view to confirming whether such calculations are accurate. For further details, see the section headed "*Description of the Transaction Documents – Asset Monitor Agreement*", below.

The Representative of the Covered Bondholders shall not be responsible for monitoring compliance with, nor the verification of, the Tests or any other test, or supervising the performance by any other party of its obligations under any Transaction Document.

Sale of Selected Assets following the service of a Notice to Pay (but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice)

If a Notice to Pay is served on the Issuer and the Guarantor, then the Guarantor may be obliged to direct the Servicer to sell Selected Assets (selected on a random basis) in order to make payments to the Guarantor's creditors, including making payments under the Covered Bond Guarantee; see the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement*", below.

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 may be able to 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 Adjusted Required Redemption Amount for the relevant Pass Through 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 in respect of such Covered Bonds. At the Extended Maturity Date, unless all the Covered Bonds have been redeemed in full or cancelled in accordance with the Conditions and the relevant Final Terms, the Guarantor is obliged to direct the Cover Pool Manager to immediately sell the Selected Assets at the best price reasonably available, taking into account the market conditions at that time ensuring that the Sellers will have the right to exercise their pre-emption right in accordance with the relevant Master Transfer Agreement.

Realisation of assets following the service of a Guarantor Default Notice

If a Guarantor Default Notice is served on the Guarantor, then the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor, instruct the Cover Pool Manager to use all reasonable endeavours to procure that all Receivables and/or the Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) will be sold as quickly as reasonably practicable, taking into account the market conditions at that time and use the proceeds from the liquidation of the Cover Pool towards payment of all secured obligations in accordance with the Post-Guarantor Event of Default Priority of

Payments (see the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement*" 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 service of a Notice to Pay on the Issuer and on the Guarantor, the realisable value of Selected 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, *inter alia*:

a) default by borrowers of amounts due in respect of Receivables, Integration Assets and Liquid Assets;

b) changes to the lending criteria of any of the Sellers;

c) set-off risks in relation to some types of Receivables arising under the Mortgage Loans comprised in the Cover Pool;

d) limited recourse to the Guarantor;

e) possible regulatory changes by the Bank of Italy, CONSOB and other regulatory authorities;

f) adverse movement of the interest rate not mitigated by the Mortgage Pool Swap;

g) unwinding cost related to the hedging structure;

h) timing for the relevant sale of assets;

i) status of the real estate market in the areas where the Issuer operates; and

j) regulations in Italy that could lead to some terms of the Receivables arising under the Mortgage Loans being unenforceable.

Each of these factors is considered in more detail below. However, it should be noted that the Mandatory Tests, the Asset Coverage Test, the Liquidity Buffer Target Amount, the Amortisation Test, the Minimum OC Requirement and the Criteria are intended to ensure that there will be an adequate amount of Receivables and/or Integration Assets and/or Liquid Assets in the Cover Pool to enable the Guarantor to repay the Covered Bonds following the service of a Notice to Pay on the Issuer and on the Guarantor and, accordingly, it is expected (although there is no assurance) that Selected Assets could be realised for sufficient values to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

Priority of Payments

The validity of contractual priority of payments such as those contemplated in this transaction has been challenged recently in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case, a swap counterparty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and U.S insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that, where a secured creditor subordinates itself to bondholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Supreme Court of the United Kingdom in Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc 2011 UKSC 38 (the "**Perpetual Case**") unanimously upheld the decision of the Court of Appeal in dismissing this argument and upholding the validity of a flip clause contained in an English-law governed security document, stating that, provided that such clause forms part of a commercial transaction entered into in good faith which does not have as its predominant purpose, or one of its main purposes, the deprivation of one of the properties of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provision.

In parallel proceedings in New York, the U.S. Bankruptcy Court for the Southern District of New York in Lehman Brothers Special Financing Inc.'s v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.), Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined the same flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the US Bankruptcy Code. However, a subsequent 2016 US Bankruptcy Court decision held that in certain circumstances flip clauses are protected under the US Bankruptcy Code and therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the US District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the US Court of Appeals for the Second Circuit. The implications of this conflict remain unresolved.

There remains the issue whether, in respect of the foreign insolvency proceedings relating to a creditor located in a foreign jurisdiction, an English court will exercise its discretion to recognise the effects of the foreign insolvency proceedings, whether under the Cross Border Insolvency Regulations 2006 or any similar common law principles. Given the current state of U.S. law, this is likely to be an area of continued judicial focus in respect of multi-jurisdictional insolvencies.

Additionally, as a result of the conflicting statements of the English and New York courts there is uncertainty as to whether the English courts will give any effect to any New York court judgment. Similarly, if the Priorities of Payments are the subject of litigation in any jurisdiction outside England and Wales and such litigation results in a conflicting judgment in respect of the binding nature of the Priorities of Payments it is possible that termination payments due to that Swap Counterparty would not be subordinated as envisaged by the Priorities of Payments and as a result, the Guarantor's' ability to repay the Covered Bondholders in full may be adversely affected. There is a particular risk of conflicting judgments where a Swap Counterparty is the subject of bankruptcy or insolvency proceedings outside of England and Wales.

Value of the Cover Pool

The Covered Bond Guarantee granted by the Guarantor in respect of the Covered Bonds will be backed by the Cover Pool and the recourse against the Guarantor will be limited to such assets. Since the economic value of the Cover Pool may increase or decrease, the value of the Guarantor's assets may decrease (for example, if there is a general decline in property values). The Issuer makes no representation, warranty or guarantee that the value of a real estate asset will remain at the same level as it was on the date of the origination of the related Mortgage Loan or at any other time. If the residential and commercial property market in Italy experiences an overall decline in property values, the value of the Mortgage Loan could be significantly reduced and, ultimately, may result in losses to the Covered Bondholders if such security is required to be enforced.

No representations or warranties to be given by the Guarantor or the Sellers if Selected Assets and their related security interests are to be sold

After the service of a Notice to Pay on the Guarantor, but prior to service of a Breach of Amortisation Test Notice or a Guarantor Default Notice, the Guarantor shall, if necessary to effect timely payments under the Covered Bonds, sell the Selected Assets and their related security interests included in the Cover Pool, subject to a right of pre-emption granted to the relevant Seller pursuant to the terms of the relevant Master Transfer Agreement and the Cover Pool Administration Agreement. In respect of any sale of Selected Assets and their related security interests to third parties, however, the Guarantor will not provide any warranties or indemnities in respect of such Selected Assets and related security interests and there is no assurance that the relevant Seller would give or repeat any warranties or representations in respect of the Selected Assets and related security interests originally transferred by it or if it has not consented to the transfer of such warranties or representations. Any representations or warranties previously given by the relevant Seller in respect of the Mortgage Loans assigned in the Cover Pool may not have value for a third party purchaser if such Seller is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Assets and related security interests could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

Claw-back of the sale of the Receivables arising under the Mortgage Loans

Assignments executed under Law 130 and the OBG Regulations are subject to claw-back on bankruptcy under article 67 of the Bankruptcy Law (as defined below) or, after the entry into force of the of the Italian Insolvency Code (as defined below), Article 166 of the Italian Insolvency Code, but only in the event that the declaration of bankruptcy of the relevant Seller is made within three months of the covered bonds transaction (or of the purchase of the relevant Receivables, Integration Assets or Liquid Assets) or, in cases where paragraph 1 of article 67 applies or, after the entry into force of the Italian Insolvency Code, paragraph 1 of Article 166 of the Italian Insolvency Code (e.g. if the payments made or the obligations assumed by the bankrupt party exceed, by more than one-fourth, the consideration received or promised), within six months of the covered bonds transaction (or of the purchase of the relevant Receivables, Integration Assets or Liquid Assets).

Article 7-*octies* of Law 130 provides that the guarantee and the subordinated loan granted to fund the payment by the Guarantor of the purchase price due for the Cover Pool are exempt from the insolvency claw-back provisions set out under article 67 of the Bankruptcy Law or, after the entry into force of the of the Italian Insolvency Code, Article 166 of the Italian Insolvency Code.

In addition to the above, any payments made by an assigned debtor to the Guarantor may not be subject to any declaration of ineffectiveness according to article 65 of the Bankruptcy Law or, after the entry into force of the of the Italian Insolvency Code, Article 164 of the Italian Insolvency Code.

The Additional Sellers

Any Additional Seller which may accede to the Programme will be Italian credit institutions belonging to the BPER Banking Group but separate legal entities from the Issuer. The Additional Sellers (if any) may be subject to insolvency proceedings under Italian law. Such event would not constitute an Issuer Event of Default in itself. An insolvency of any of the Additional Sellers may affect certain rights and obligations of the Guarantor, for example limiting the duty of the Guarantor to purchase assets from the relevant Additional Seller, or the ability of such Additional Seller to repurchase assets under the relevant Master Transfer Agreement, or to remedy breach of the Test on the Cover Pool.

Default by borrowers in paying amounts due on their Mortgage Loans, Integration Assets or Liquid Assets

Borrowers may default on their obligations due under the Mortgage Loans, Integration Assets or Liquid Assets for a variety of reasons. The Mortgage Loans and/or the Integration Assets and/or Liquid Assets are affected by credit, liquidity and interest rate risks. Various factors influence 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 conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors may lead to an increase in default by the borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Loans and/or Integration Assets and/or Liquid Assets. Loss of earnings, illness, divorce and other similar factors may lead to an increase in default and of bankruptcy on the part of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Loans and/or Integration Assets and/or Liquid Assets. In addition, the ability of a borrower to sell a property given as security for a 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.

The recovery of amounts due in relation to Non-Performing Loans will be subject to the effectiveness of enforcement proceedings in respect of the Receivables arising under the Mortgage Loans which in Italy can take a considerable amount of time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Mortgage Loans and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any real estate asset.

Insurance coverage

All Mortgage Loans provide that the relevant real estate assets must be covered by an insurance policy issued by leading insurance companies approved by the relevant Sellers against damages from fire, destruction and explosion (each an "**Insurance Policy**"). There can be no assurance that all risks that could affect the value of the real estate assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, the insured losses will be covered in full. Any loss incurred in relation to the real estate assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the real estate assets and the ability of the relevant Debtor to repay the relevant Mortgage Loan.

Changes to the lending criteria of the Issuer and the Additional Sellers

Each of the Mortgage Loans originated by the Issuer and the Additional Sellers (if any) will have been originated in accordance with the applicable lending criteria at the time of origination. Each of the Mortgage Loans sold to the Guarantor by the Issuer and the Additional Sellers (if any), but originated by a person other than the Issuer and the Additional Sellers (if any) (an "**Originator**"), will have been originated in accordance with the lending criteria of such Originator at the time of origination. It is expected that the relevant Sellers' or the relevant Originators', as the case may be, lending criteria will generally consider the term of loan, the indemnity guarantee policies, the status of applicants and the credit history. In the event of the sale or transfer of any Mortgage Loans to the Guarantor, the Issuer and the Additional Sellers (if any) will warrant that (a) such Mortgage Loans as were originated by it were originated in accordance with such Seller's lending criteria applicable at the time of origination and (b) such Mortgage Loans, if originated by an Originator, were originated in accordance with the relevant Originator's lending criteria applicable at the time of origination. Each of the Issuer and the Additional Sellers (if any) retains the right to revise its lending criteria from time to time subject to the terms of the relevant Master Transfer Agreement and of the Servicing Agreement. An Originator may additionally revise its lending criteria at any time. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage Loans, that may lead to increased defaults by borrowers 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, Non-Performing Loans in the Cover Pool will be given a zero weighting for the purposes of the calculation of the Mandatory Tests and the Asset Coverage Test.

Legal risks relating to the Mortgage Loans

The ability of the Guarantor to recover payments of interest and principal from the Mortgage Loans is subject to a number of legal risks. These include the risks set out below.

Set-off risks

Pursuant to article 1248 of the Italian Civil Code and Law 130, in the context of an assignment of monetary claims, notwithstanding the notification of the assignment to the debtor, the debtor retains the right to set-off any claims owed to him/her by the assigning creditor, provided that they arose prior to the notification date, against the amount due by him/her to the relevant owner, from time to time, of the assigned monetary claim. The debtors under the Mortgage Loans are entitled to exercise rights of set-off in respect of amounts due under any Mortgage Loan to the Guarantor against any amounts payable by the Issuer or, if the relevant Mortgage Loan was transferred by an Additional Seller, such relevant Additional Seller to the relevant Debtor which came into existence (were *crediti esistenti*) prior to the later of: (a) the publication of the notice of assignment in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and (b) the registration of such notice in the competent Companies' Register.

The assignment of receivables under Law 130 is governed by Article 58, paragraph 2, 3 and 4, of the Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant Debtors as of the later of (a) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (b) the date of registration of the notice of assignment in the local Companies' Register. Consequently, the rights of the Guarantor may be subject to the direct rights of the borrowers against the relevant Seller or, as applicable the relevant originator, including rights of set-off on claims arising existing prior to notification in the Official Gazette and registration at the Companies' Register. Some of the Mortgage Loans in the Cover Pool may have increased risks of set-off, because the relevant Seller or, as applicable, the relevant originator is required to make payments under them to the borrowers. In addition, the exercise of set-off rights by borrowers may adversely affect any sale proceeds of the Cover Pool and, ultimately, the ability of the Guarantor to make payments under the Covered Bond Guarantee.

Furthermore, Law Decree No. 145 of 23 December 2013 (*Decreto Destinazione Italia*) as converted with amendments into Law No. 9 of 21 February 2014 (the "**Destinazione Italia Decree**") introduced, inter alia, certain amendments to article 4 of Law 130. As a consequence of such amendments, it is now expressly provided by Law 130 that the Debtors cannot exercise rights of set-off against the Guarantor on claims arising vis-à-vis the Seller after the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*).

It should be noted, however, that the Asset Coverage Test seeks to take account of the potential set-off risk associated with borrowers holding deposits with the relevant Seller (although there is no assurance that all such risks will be accounted for).

Usury Law

The interest payments and other remuneration paid by the Borrowers under the Mortgage Loans are subject to Italian law No. 108 of 7 March 1996 (the "**Usury Law**"), which 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 (the last such decree having been issued on 27 December 2023). In addition, even where the applicable Usury Rates are not exceeded, interest and other benefits and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific situations of the transaction and the average rate usually applied for similar transactions); and (b) the person who paid or agreed to pay them was in financial and economic difficulties. The provision of usurious interest, benefits or remuneration has the same consequences as non-compliance with the Usury Rates.

The Italian Government, with law decree No. 394 of 29 December 2000 (the "**Usury Law Decree**" and, together with the Usury Law, the "Usury Regulations"), converted into law by law No. 24 of 28 February 2001, has established, inter alia, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be substituted with a lower interest rate fixed in accordance with parameters determined by the Usury Law Decree.

The Italian Constitutional Court has rejected, with decision No. 29/2002 (deposited on 25 February 2002), a constitutional exception raised by the Court of Benevento (2 January 2001) concerning article 1, paragraph 1, of the Usury Law Decree (now reflected in article 1, paragraph 1 of the above mentioned conversion law No. 24 of 28 February 2001). In so doing, it has confirmed the constitutional validity of the provisions of the Usury Law Decree which hold that interest rates may be deemed to be void due to usury only if they infringe Usury Regulations at the time they are agreed between the borrower and the lender and not at the time such rates are actually paid by the borrower.

Overturning the previous case-law on the matter, by decision No. 24675/2017 the United Chambers of the Italian Supreme Court (*Corte di Cassazione*) has recently clarified that, for the purposes of Usury Law, the remuneration of any given financing must be below the applicable Usury Rate only at the time the terms of the financing were agreed. As a result, Usury Law would not be considered to be breached in case such a remuneration, originally lower than the applicable Usury Rate, exceeded a subsequently applicable Usury Rate at any point in time thereafter.

Furthermore, according to applicable case-law, also default interest rates are relevant and must be taken into account when verifying the compliance with the Usury Law. However, recent court precedents clarified that the applicable default interest rate and the items representing the remuneration of the relevant financing must not be added together for the purposes of such verification. As a result, the default interest rate, on the one hand, and the items representing the remuneration of the relevant financing (cumulatively considered), on the other hand, must each be separately and independently compared with the applicable Usury Rate.

If the Usury Law were to be applied to the Mortgage Loans, the amount payable to the Covered Bondholders may be subject to reduction, renegotiation or repayment.

Compounding of interest (anatocismo)

Pursuant to article 1283 of the Italian civil code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (a) under an agreement subsequent to such accrual or (b) 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 (*usi*) to the contrary. Banks and financial companies 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 (*uso normativo*). However, a number of recent judgments from Italian courts (including judgments from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/99, No. 2593/2003, No. 21095/2004, No. 4094/2005, No. 10127/2005, No. 24418/2010, No. 24156/2017 and No. 15148/2018) have held that such practices are not uso normativo and that the contractual clauses providing for the capitalisation of accrued interest on a three-monthly basis, if agreed before April 2000, shall be considered null and void. Consequently, if customers of the relevant Seller were to challenge this practice and such interpretation of the Italian civil code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Mortgage Loans.

In this respect, it should be noted that article 25, paragraph 3, of legislative decree No. 342 of 4 August 1999 ("**Law 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 Comitato Interministeriale per il Credito e il Risparmio ("**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.

Article 17-*bis* of law decree No. 18 of 14 February 2016, as converted into law No. 59 of 8 April 2016, amended Article 120, paragraph 2, of the Banking Act, providing that interest shall not accrue on capitalised interest. Paragraph 2 of article 120 of the Banking Act also requires the CICR to establish the methods and criteria for the compounding of interest. Decree no. 343 of 3 August 2016 of the CICR, implementing paragraph 2 of Article 120 of the Banking Act, has been published in the Official Gazette no. 212 of 10 September 2016. As a result of such amendments, it is confirmed that, in the context of banking transactions, the debit interest (with the exception of default interest) can never bear further interest.

Furthermore there have been two rulings of Italian Courts that have held that the calculations applicable to the instalments under certain mortgage loan agreements that were based upon the amortisation method known as "*French amortisation*" (i.e., mortgage loans with fixed instalments, made up of an amount of principal (that progressively increases) and an amount of interest (that decreases as repayments are calculated with a specific formula), triggered a violation of the Italian law provisions on the limitations on the compounding of interest (*divieto di anatocismo*). However, it should be pointed out that these were isolated judgements, still under appeal, and more recently various court rulings on the same matter have declared that the "*French amortisation*" method does not entail an illegal compounding element. However the Issuer is not able to exclude the risk that in the future other judgments may follow the two isolated decisions described above.

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 has been implemented in Italy by way of Legislative Decree no. 72 of 21 April 2016 ("**Legislative Decree 72**"). Legislative Decree 72 introduced into the Banking Act, under Title VI, a new Chapter 1-bis in relation to consumer mortgage credit, including, inter alia, a new Article 120 *quinquiesdecies*, pursuant to which a consumer and an entity authorised to grant loans in a professional manner in the Republic of Italy who are parties to a mortgage credit agreement may expressly agree, subject to the provisions of article 2744 of the Italian civil code, that, in case of non-payment of eighteen monthly instalments by the relevant debtor, the property of the debtor subject to security or the proceeds deriving from the sale thereof can be transferred to the creditor in discharge of all the outstanding obligations of the debtor vis-à-vis the creditor (even if the value of such property or the amount of such proceeds is lower than the residual debt). In the event that the value of the property of the debtor subject to security or amount of the proceeds deriving from the sale thereof is higher than the residual debt, the debtor will be entitled to receive the excess amount. The value of the property shall be determined by an independent expert chosen by the parties, or, if an agreement on the appointment of the expert is not reached between them, by the chairman of the competent court.

The provisions introduced by the Legislative Decree 72 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 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 published an amended version of its regulations on transparency of banking and financial operations of 29 July 2009, as subsequently amended (*Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*), in order to implement the transparency provisions as laid down by the Mortgage Credit Directive and by the Mortgage Credit Legislative Decree, while on January 2018 the Ministry of Economy and Finance has submitted to public consultation the draft of the Interministerial Decree implementing the Mortgage Legislative Decree. The final version of the Interministerial Decree has not yet been published, therefore, as at the date of this Base Prospectus, the Issuer is not in a position to fully predict its impact.

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*:

- the right of prepayment of the principal amount of the mortgage loan, without incurring a penalty or, in respect of mortgage loan agreements entered into before 2 February 2007, at a reduced penalty rate (article 120-ter of the Italian Banking Act, introduced by Legislative Decree no. 141 of 13 August 2010 as amended by Legislative Decree no. 218 of 14 December 2010);
- right to the substitution (*portabilità*) of a mortgage loan with another mortgage loan and/or the right to request subrogation by an assignee bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Civil Code, by eliminating the limits and costs previously borne by the borrowers for the exercise of such right (article 120-*quater* of the Italian Banking Act, introduced by Legislative Decree No. 141 of 13 August 2010 as amended by Legislative Decree No. 218 of 14 December 2010);
- 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 (Law No. 244 of 24 December 2007, as

subsequently implemented by the ministerial decree No. 132 of the Ministry of Treasury and Finance (*Ministero dell'economia e delle finanze*));

- the right to suspend the payment of principal instalments relating to mortgage loans for a 12-month period, where requested by the relevant debtor during the period from 1 June 2015 to 31 December 2017 (Convention between the *Associazione Bancaria Italiana - ABI* and the consumers' associations stipulated on 31 March 2015) (the "**2015 Credit Agreement**"). 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 *Associazione Bancaria Italiana - 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**").

The consequence of the above is that a material part of the Cover Pool 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 Cover Pool.

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 (*Italian Banking Association*) 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 (accollati), 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 (*accollato*) 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 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 Seller has adhered to the Convention sending to its clients a renegotiation proposal in accordance with the Convention. Borrowers eligible for the renegotiation who have received the renegotiation proposal can accept the proposal by way of a written notification to be sent not later than 28 November 2008 (the "**Final Adhesion Term**").

The renegotiation becomes effective on the third month following the date when such proposal has been accepted by the relevant client, with reference to the instalments which fall due after 1 January 2009.

The pieces of legislation referred to in each paragraph under the section headed "Mortgage borrower protection" above may have 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 in order to maintain the then current ratings of the Covered Bonds. 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.

Factors which are material for the purpose of assessing the market risks associated with the Covered Bonds issued under the Programme

The risks below have been classified into the following categories:

1. *Risks relating to the Covered Bonds generally;*

2. *Risks relating to the structure of a particular issue of Covered Bonds;*

3. *Risks relating to the market generally.*

1. RISKS RELATED TO COVERED BONDS GENERALLY

Set out below is a brief description of certain risks relating to the Covered Bonds generally.

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

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

(a) 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;

(b) 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;

(c) 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;

(d) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(e) 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 and 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.

The obligations of the Issuer under the Covered Bonds are not covered by deposit insurance schemes in the Republic of Italy. Furthermore, the Covered Bonds will not be guaranteed by the Republic of Italy under any legislation that is or will be passed to address liquidity issues in the credit markets, including government guarantees or similar measures.

Covered Bondholders are bound by Extraordinary Resolutions and Programme Resolution

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): (a) waiving an Issuer Event of Default or a Guarantor Event of Default; (b) directing the Representative of the Covered Bondholders to serve a Notice to Pay or a Guarantor Default Notice or otherwise instructing the Representative of the Covered Bondholders to take enforcement action against the Guarantor and/or, subject to certain conditions, the Issuer; (c) cancelling, reducing or otherwise varying interest payments or repayment of principal or rescheduling payment dates; (d) altering the priority of payments of interest on the Covered Bonds and of principal; (e) exchanging the Covered Bonds for other securities; and (e) any other amendments to the Transaction Documents. Certain resolutions are required to be passed as Programme Resolutions (such as a resolution to direct the Representative of the Covered Bondholders to take any enforcement). Any Programme Resolution action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding as set out in the Rules of the Organisation of Covered Bondholders attached to the Conditions as Schedule 1 and cannot be resolved upon at a meeting of Covered Bondholders of a single Series. A Programme Resolution taken by Covered Bondholders of all Series will be binding on all Covered Bondholders irrespective of whether they attended the Meeting or voted in favour of the Programme Resolution.

Any Extraordinary Resolution passed at a Meeting will bind each Covered Bondholder, irrespective of whether they attended the meeting or voted in favour of the Extraordinary Resolution.

Pursuant to the Rules of Organisation of the Covered Bondholders and the Intercreditor Agreement, the Representative of the Covered Bondholders may, without the consent or sanction of any of the Covered Bondholders, concur with the Issuer and/or the Guarantor and any other relevant parties in making:

(a) any amendment or modification to the Rules of the Organisation of the Covered Bondholders, the Conditions and/or the other Transaction Documents which, in the opinion of the Representative of the Covered Bondholders, it may be proper to make and will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series and the Secured Creditors; or

(b) any amendment or modification to the Rules of the Organisation of the Covered Bondholders, the Conditions and/or the other Transaction Documents which is of a formal, minor or technical nature or which, in the opinion of the Representative of the Covered Bondholders, is made to correct a manifest error or an error established as such to the satisfaction of the Representative of the Covered Bondholders or an error which is proven or is necessary or desirable for the purposes of clarification or to comply with mandatory provisions of law; and

(c) any amendment or modification to the Rules of the Organisation of the Covered Bondholders, the Conditions and/or the other Transaction Documents which is required or opportune for the purposes of complying with a change in law or in the interpretation or administration of the OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

It shall also be noted that, after the delivery of a Notice to Pay, 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 Secured Creditors 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 Covered Bondholders 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 direction in writing of such Covered Bondholders of at least 75 per cent of the principal amount outstanding of Covered Bonds of the relevant Series then outstanding.

Controls over the transaction

The BoI Regulations require that certain controls be performed by the Issuer (see the section headed "*Selected aspects of Italian law – Controls over the transaction*" below), aimed, *inter alia*, at mitigating the risk that any obligation of the Issuer or the Guarantor under the Covered Bonds is not complied with. Whilst the Issuer believes it has implemented the appropriate policies and controls in compliance with the relevant requirements, investors should note that there is no assurance that such compliance ensures that the aforesaid controls are actually performed and that any failure to properly implement the relevant policies and controls could have an adverse effect on the Issuer's or the Guarantor's ability to perform their obligations under the Covered Bonds.

Limit to Integration

The Guarantor may acquire Subsequent Portfolios in order to: (i) collateralise the issue of further Tranches of Covered Bonds by the Issuer, (ii) invest (in whole or in part) principal amounts collected by the Servicer in respect of the Cover Pool and/or the Principal Available Funds deriving from Integration Assets and/or Liquid Assets, provided that no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing or (iii) ensure compliance with the Tests, the Liquidity Buffer Target Amount and the Exposure Limit in accordance with the Cover Pool Administration Agreement.

Investors should note that Issuance Assignments, Revolving Assignments or Integration Assignments are not allowed in circumstances other than as set out in the BoI Regulations. Therefore, no assurance can be given on the potential negative impact that the need to rebalance the Cover Pool outside the circumstances set out in the BoI Regulations may have on the interests of the Covered Bondholders (for further detail on the BoI Regulations see the section headed "*Selected aspects of Italian law – Coverage Requirement*" below).

Base Prospectus to be read together with applicable Final Terms

In relation to Covered Bonds other than Registered Covered Bonds, the Conditions of the Covered Bonds included in this Base Prospectus apply to the different types of Covered Bonds (other than the Registered Covered Bonds) which may be issued under the Programme. The full terms and conditions applicable to each Series of Covered Bonds (other than the Registered Covered Bonds) can be reviewed by reading the Conditions as set out in full in this Base Prospectus, which constitute the basis of all Covered Bonds (other than the Registered Covered Bonds) to be offered under the Programme, together with the applicable Final Terms which applies and/or disapplies and/or completes the Conditions of the Programme in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Covered Bonds (other than the Registered Covered Bonds).

The Registered Covered Bonds shall be governed by a set of legal documentation in the form, from time to time, agreed with the relevant Dealer and will not be governed by the Conditions set out in this Base Prospectus. Such legal documentation will comprise the relevant Registered CB Conditions, the Assignment Agreement, the related Registered Covered Bonds Rules Agreement and the letter of appointment of (i) any Registered Paying Agent in respect of the Registered Covered Bonds and (ii) the Registrar in respect of the Registered Covered Bonds (the "**Registrar**"). Notwithstanding the foregoing, the Issuer will be entitled to enter into a different or additional set of documentation as agreed with the relevant Dealer in relation to a specific issue of Registered Covered Bonds.

Obligations 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. An investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the payment made under relevant Covered Bonds. This may lead to losses under the Covered Bonds.

The Guarantor has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the service on the Issuer and the Guarantor of a Notice to Pay. Failure by the Guarantor to pay amounts due under the Covered Bond Guarantee in respect of any Covered Bond would constitute a Guarantor Event of Default which would entitle the Representative of the Covered Bondholders to serve an Acceleration Notice and accelerate the obligations of the Guarantor under the Covered Bond Guarantee and entitle the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee. The occurrence of an Issuer Event of Default does not constitute a Guarantor Event of Default.

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arranger, the Dealers, the Representative of the Covered Bondholders or any other party to the Transaction Documents or their officers, members, directors, employees, security holders or incorporators, other than the Issuer and 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.

The regulation and reform of "benchmarks" may adversely affect the value of Covered Bonds linked to or referecing such "benchmarks"

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

Key international reforms of "benchmarks" include IOSCO's proposed Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014, as amended (the "**EU Benchmarks Regulation**").

The EU Benchmarks Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to "contributors", "administrators" and "users of" "benchmarks" in the EU, and among other things, (i) requires benchmark administrators to be authorised (or, if non-EU-based or non-UK-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) bans the use of "benchmarks" of unauthorised administrators, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). The scope of the EU Benchmarks Regulation and the UK Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Covered Bonds), financial contracts and investment funds.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could also have a material impact on any listed Covered Bonds linked to a "benchmark" index, including in any of the following circumstances:

(i) an index which is a "benchmark" could not be used as such if its administrator does not obtain appropriate EU or UK authorisations or is based in a non-EU or non-UK jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular "benchmark" and the applicable terms of the Covered Bonds, the Covered Bonds could be delisted (if listed), adjusted, redeemed or otherwise impacted;

(ii) the methodology or other terms of the "benchmark" related to a series of Covered Bonds could be changed in order to comply with the terms of the EU Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the "benchmark" or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Covered Bonds, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other reforms (or 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 participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks".

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 11 May 2021 the euro risk-free rate working group published its recommendation on EURIBOR fallback trigger events and fallback rates. The recommended fallback rates are based on the new Euro short-term rate ("**€STR**"). Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU 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.

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

Investors should be aware that, if the EURIBOR or any originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Covered Bonds (each an "**Original Reference Rate**") were discontinued or otherwise unavailable, the rate of interest on Floating Rate Covered Bonds which reference such Original Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Covered Bonds, as indicated in the Terms and Conditions.

In particular, the Terms and Conditions provide for certain arrangements in case that the Original Reference Rate (including any page on which such Original Reference Rate may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate determined by the Issuer or an Alternative Rate determined by an Independent Adviser or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) by the application of an Adjustment Spread. The application of a Successor Rate or an Alternative Rate or an Adjustment Spread may result in the relevant Covered Bonds performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the rate of interest. 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 used for the relevant Covered Bonds or last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the Terms and Conditions of the Covered Bonds or to any other Transaction Document are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of the Representative of the Covered Bondholders, as provided by Condition 5(I) (*Fallback provisions*) of the Terms and Conditions of the Covered Bonds.

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Covered Bond may not do so and may result in the Covered Bond performing differently (which may include payment of a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form. Any such consequences could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Covered Bonds referring the relevant Original Reference Rate. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Covered Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Covered Bonds. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Covered Bonds.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Covered Bonds, investigations and licensing issues in making any investment decision with respect to the Covered Bonds linked to or referencing such a "benchmark" since the rate of interest will be changed in ways which may be adverse to holders of such Covered Bonds, without any requirement that the consent of such holders be obtained.

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 9 (*Taxation in the Republic of Italy*) 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.

For further details see the section entitled "*Taxation in the Republic of Italy*".

Changes of law

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on the laws of the Republic of Italy (and, in the case of the Swap Agreement, certain provisions of the Cash Management and Agency Agreement and the English Law Deed of Charge and Assignment, the laws of England) in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the laws of Italy or of England or administrative practice in the relevant jurisdictions after the date of this Base Prospectus.

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 "**Covered Bond 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 "**Covered Bond Regulation**").

The Covered Bond Regulation and the Covered Bond 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 Covered Bond Regulation provides certain amendments to the CRR in order to strengthen the quality of the covered bonds eligible for favorable capital treatment, and the Covered Bond Directive aims to harmonize the regulation and treatment of covered bonds across EU Member States.

The Covered Bond Regulation apply from 8 July 2022. The Covered Bond Directive was transposed into the Italian legal framework by means of Legislative Decree no. 190 of 5 November 2021, entered into force on 1 December 2021 (the "**Decree 190/2021**"), which modified Law 130.

The Decree 190/2021 repealed, *inter alia*, articles 7-*bis*, 7-*ter* and 7-*quater* of Law 130 (as applicable until the entry into force of the Implementing Provisions, as defined below) and introduced the new Title I-bis of the Law 130, setting out the Italian legislative framework applicable to covered bonds starting from the entry into force of the Implementing Provisions. Moreover, the Decree 190/2021 designated the Bank of Italy as the competent authority for the public supervision of the covered bonds and issued the implementation of the Title I-bis of Law 130.

Following a public consultation launched by the Bank of Italy on 12 January 2023 and ended on 11 February 2023, on 30 March 2023 the Bank of Italy published the implementing provisions of the BoI Regulations, entering into force on 31 March 2023, (the "**Implementing Provisions**"), providing, *inter alia*, for (i) the criteria for the assessment of the eligible assets and the conditions for including covered bonds among eligible assets for derivative contracts with hedging purposes; (ii) the procedures for calculating hedging requirements; (iii) the conditions for establishing new issuance programmes; (iv) giving the possibility also to banks with credit rating 3 to act as counterparties of a derivative contract with hedging purposes; (v) the requirement of a minimum level of over-collateralization for covered bonds at 5% and (vi) the conditions for issuing under already existing programme as of the date of the entry into force of the Implementing Provisions.

As of the date of this Base Prospectus, given the novelty above provisions and the recent amendments to the BoI Regulations and Law 130, the new legislative framework has not yet been tested and thus possible uncertainties of interpretation may arise. Accordingly, there is a risk that certain changes may need to be reflected in the Programme (including the Terms and Conditions of the Covered Bonds) in order for it to continue to be compliant with the OBG Regulations. Prospective investors should therefore inform themselves of the above legal changes, in addition to any other regulatory requirements applicable to their investment in 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.

Law 130

Law 130 was enacted in Italy in April 1999 and amended to allow for the issuance of covered bonds in 2005. Law 130 was further amended during the following years, including, inter alia, on 30 November 2021 by way of the Decree 190/2021, as above mentioned.

As at the date of this Base Prospectus, no interpretation of the application of the Law 130 as it relates to covered bonds has been issued by any Italian court or governmental or regulatory authority, except for the supervisory instructions set out in Part III, Chapter 3 of the "*Disposizioni di vigilanza per le banche*" dated 30 March 2023 (Circolare No. 285 of 17 December 2013), as amended from time to time concerning, inter alia, guidelines on the valuation of assets and controls required to ensure compliance with the legislation.

Consequently, it is possible that such or different authorities may issue a ruling relating to the Law 130 or a governmental or regulatory authority may issue further regulations relating to Law 130 or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Base Prospectus.

2. RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF COVERED BONDS

Covered Bonds issued under the Programme will either be fungible with an existing Series (in which case, they will form part of such Series) or have different terms to an existing Series (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. If an Issuer Event of Default and a Guarantor Event of Default occur and result in acceleration, all Covered Bonds of all Series will accelerate at the same time.

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 of 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 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 light of other investments available at that time.

Zero Coupon Covered Bonds

The Issuer may issue Covered Bonds which do not pay current interest but are issued at a discount from their nominal value or premium from their principal amount. Such Covered Bonds are characterised by the circumstance that the relevant covered bondholders, instead of benefiting from periodical interest payments, shall be granted an interest income consisting of the difference between the redemption price and the issue price, which difference shall reflect the market interest rate. A holder of a zero coupon covered bond is exposed to the risk that the price of such covered bond falls as a result of changes in the market interest rate. Prices of zero coupon covered bonds are more volatile than prices of fixed rate covered bonds and are likely to respond to a greater degree to market interest rate changes than interest-bearing covered bonds with a similar maturity. Generally, the longer the remaining terms of such Covered Bonds, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate Covered Bonds with a multiplier or other leverage factor

Covered Bonds with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps, floors or collars (or any combination of those features or other similar related features), their market values may be even more volatile than those for securities that do not include those features.

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.

Covered Bonds issued with a specific use of proceeds, such as a "Green Bond", "Social Bond" or "Sustainability Bond"

The applicable Final Terms relating to any specific Tranche of Covered Bonds may provide that it will be the Issuer's intention to apply an amount equal to the proceeds from an offer of those Covered Bonds specifically for projects and activities that promote "green" purposes ("**Green Bonds**" and "**Eligible Green Assets**") and "social" purposes ("**Social Bonds**" and "**Eligible Social Assets**") or a combination of "green" and "social" purposes ("**Sustainability Bonds**" and "**Eligible Sustainability Assets**" and, together with the Eligible Green Assets and Eligible Social Assets, the "**Eligible Assets**") in accordance with the Issuer's Green, Social and Sustainability Framework (as defined in the "*Use of Proceeds*" section of this Base Prospectus) which is compliant with the principles set out by the International Capital Market Association ("**ICMA"**) (notably, green bond principles (the "**Green Bond Principles**"), social bond principles (the "**Social Bond Principles**") and sustainability bond guidelines (the "**Sustainability Bond Guidelines**", and together with the Green Bond Principles and Social Bond Principles, the "**Principles**").

In such case, prospective investors should have regard to the information contained in the section "*Use of Proceeds*" and in the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Covered Bonds together with any other investigation such investor deems necessary.

There is currently no firm market consensus as to what bonds may qualify as Green Bonds, Social Bonds, or Sustainability Bonds, or as to what precise attributes are required for a particular project to be defined as "green", in the case of Green Bonds, "social", in the case of Social Bonds, or "sustainable", in the case of Sustainability Bonds, or be given other equivalent label, nor can any assurance be given that a clear definition or consensus will develop over time. The lack of market consensus is, to a certain degree, mitigated through voluntary measures, such as by complying with the relevant set of Principles published by the ICMA, or by obtaining an external review.

The Principles aim to promote integrity of the Green, Social and Sustainability Bond markets through transparency, disclosure and reporting by the issuers. The Principles provide high-level categories for Eligible Assets and give other guidance on the key components involved in launching a credible Green, Social or Sustainability Bond. However, given a broad categorisation of project eligibility by the Principles, diversity of current market views and the ongoing development in the understanding of environmental and social issues and their consequences, a degree of uncertainty with respect to what projects or activities qualify as "green", "social" or "sustainability", and as result which bonds qualify as Green, Social or Sustainability Bonds, may be inevitable.

A basis for the determination of the definitions of "green" and "sustainable" has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**") and the final social taxonomy report on transition activities for the EU Sustainable Finance Taxonomy, which was published by the Platform on Sustainable Finance on 28 February 2022. On 21 April

2021, the European Commission approved the Taxonomy Climate Delegated Act (as defined below), formally adopted on 4 June 2021, introducing a first set of technical screening criteria to be used to define which activities contribute to the following environmental objectives under the EU Sustainable Finance Taxonomy: climate change adaptation and climate change mitigation (the "**Taxonomy Climate Delegated Act**"). The Taxonomy Climate Delegated Act entered into force on 1 January 2022. On 10 March 2022, the EU Commission adopted the EU taxonomy Complementary Climate Delegated Act, covering certain nuclear and gas activities, which was published in the Official Journal on 15 July 2022 and it applies as of January 2023. The criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future. A second delegated act setting out proposed technical screening criteria for economic activities that make a substantial contribution to the (non-climate) environmental objectives of the Sustainable Finance Taxonomy Regulation was adopted by the Commission on 27 June 2023. Furthermore, on 6 April 2022, the European Commission adopted the Regulatory Technical Standards (RTS) to Regulation (EU) 2019/2088 (the "**Sustainable Finance Disclosure Regulation**") which apply from 1 January 2023. In addition, on 25 July 2022 Commission Delegated Regulation (EU) 2022/1288, supplementing the SFDR with regard to RTS specifying the details of the content and presentation of the information in relation to the principle of "do no significant harm", specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (“**SFDR RTS**”), was published in the Official Journal. The new RTS apply from 1 January 2023. On 31 October 2022 the European Commission adopted the Delegated Regulation (EU) 2023/363 amending and correcting the standards laid down in the SFDR RTS to ensure investors receive information reflecting provisions set out in the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022. The Delegated Regulation has been published in the Official Journal on 17 February 2023 and has come into force on the third day after publication in the Official Journal. Any further delegated act adopted by the EU Commission to implement the Sustainable Finance Taxonomy Regulation or the Sustainable Finance Disclosure Regulation may result in a regular review of the relating screening criteria, with changes to the scope of activities and other amendments to reflect technological progress.

In addition, on 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the "**EU Green Bond Standard**"). In the context of the public consultation on the renewed sustainable finance strategy, the European Commission launched a targeted consultation on the establishment of an EU Green Bond Standard, that builds and consults on the work of the Commission Technical Expert Group, and has run between 12 June and 2 October 2020. On 19 October 2020, the European Commission published the Commission Work Programme 2021, in which expressed the intention to deliver a legislative proposal by the end of the second quarter of 2021. On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Sustainable Finance Taxonomy; (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subjection to its supervision. In this respect, on 22 November 2023, Regulation (EU) 2023/2631 of the European Parliament and of the Council on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds was enacted and will apply starting from 21 December 2024.

Accordingly, no assurance is or can be given to investors that:

(i) the application of an amount equal to the net proceeds for any Eligible Assets 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 in accordance with any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, social or sustainability impact of any Eligible Assets);and

(ii) any Eligible Assets will meet any or all investor expectations regarding such “green”, “environmental”, “social” or “sustainable” or other equivalently-labelled performance objectives (including those set out under the Sustainable Finance Taxonomy Regulation) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any Eligible Assets.

Moreover, where adverse impacts are insufficiently mitigated, the relevant Eligible Assets may become controversial and may generate negative market opinion.

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 by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of a relevant Eligible Assets. 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.

Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the Green Bond Principles and/or the Social Bond Principles and/or the Sustainability Bond Guidelines and/or the EU Sustainable Finance Taxonomy framework. Any such changes could have an adverse effect on the liquidity and value of and return on any such green or social or sustainable bonds.

With reference to any Covered Bonds in respect of which the applicable Final Terms state that an amount equal to the proceeds will be used to finance or refinance Eligible Assets, while it is the intention of the Issuer to apply an amount equal to the net proceeds of any Covered Bonds in such a manner as described in the applicable Final Terms, there can be no assurance that the relevant projects (either resulting from the original application of the proceeds of the Covered Bonds or a subsequent reallocation of such proceeds), 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. Nor can there be any assurance that (i) such Green, Social or Sustainable projects will be completed within any specified period or at all or, (ii) with the results or outcome as originally expected or anticipated by the Issuer, or (iii) the originally designated green project or social project or sustainable project will not be the potentially or actual disqualified as such.

Any such event or failure by the Issuer, any actual or potential maturity mismatch between the green, social or sustainable asset(s) towards which an amount equal to the proceeds of the Covered Bonds may have been applied and the relevant Covered Bonds or if any other risk(s) set out or contemplated by this risk factor with respect to Green Bonds, Social Bonds or Sustainability Bonds are realised, such occurrence will not, with respect to any Covered Bonds (i) give rise to any claim of a Covered Bondholder against the Issuer; (ii) constitute an event of default under the Covered Bonds; (iii) lead to an obligation of the Issuer to redeem such Covered Bonds or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Covered Bonds; or (iv) impact any of the features of such Covered Bonds. For the avoidance of doubt, neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds, nor any amount equal to such proceeds and the operation of any other features will be segregated by the Issuer from its capital and other assets and payments of principal and interest (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant project nor have any preferred right against such assets.

Any failure to apply an amount equal to the proceeds of any issue of Covered Bonds for any Eligible Assets as aforesaid and/or withdrawal of any opinion or certification or any opinion or certification attesting that the

Issuer is not complying, in whole or in part, with any matters for which such opinion or certification is opining or certifying on and/or any Covered Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Covered Bonds and also potentially the value of any other Covered Bonds which are intended to finance or refinance Eligible Assets, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

No Dealer makes any representation as to the suitability of the Eligible Assets 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 Assets, Social Assets or Sustainability Assets 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 and such framework is not incorporated by reference.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green or Social Bonds

ISS Corporate Solutions has issued an independent opinion, dated 21 April 2023, on the Issuer's Green, Social and Sustainability Bond Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party (whether or not solicited by the Issuer) made or which may be available in connection with an issue of Covered Bond issued as Green or Social or Sustainable Bonds and in particular with any Eligible Assets to fulfil any environmental, social, sustainability and/or other relevant criteria. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in any Covered Bond, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Covered Bond. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold any such Covered Bond and is current only as of the date it initially was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of the Second Party Opinion or any other opinion or certification may have a material adverse effect on the value of any Green or Social Bonds in respect of which such opinion or certification is given and /or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of this Base Prospectus, ISS Corporate Solutions being the provider of such opinions and certifications is not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such green or social or sustainable bonds. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Base Prospectus.

European Covered Bond (Premium) Label

The Covered Bonds to be issued under this Base Prospectus are intended to be labelled as "European Covered Bond (Premium)", as set out in Article 7-viciesbis of Title I-bis of Law 130, provided that the Covered Bonds are in compliance with Law 130, the BoI Regulations and Article 129 of the CRR. Given that the labelling of the Covered Bonds as "European Covered Bond (Premium)" depends on the fulfilment of legal requirements under Law 130, the BoI Regulations and Article 129 of the CRR, investors should consider, amongst other things, any regulatory impacts when deciding whether or not to purchase any Covered Bonds and assess autonomously the compliance of the Covered Bonds with the applicable regulatory framework.

No assurance or representation is given as to the assets that comprise the Cover Pool (including, without limitation, whether such assets comply with Article 129(1) of the CRR) nor as to any label assigned to any Series of Covered Bonds (including, without limitation, where such Covered Bonds are labelled as "European Covered Bond (Premium)". Furthermore, no assurance is given whether Covered Bonds labelled as European Covered Bond (Premium) will continue to maintain such label even after their issuance.

3. RISKS RELATED TO THE MARKET GENERALLY

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

The secondary market generally

Covered Bonds may have no established trading market when issued, and one may never develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Covered Bonds. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the Covered Bonds are traded after their initial issuance, they may be traded at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial conditions of the Issuer. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds, although application has been made, or is expected to be made, to list the Covered Bonds on the Official List of the Luxembourg Stock Exchange.

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 change significantly (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 (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) 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.

Rating

Credit or corporate ratings may not reflect all risks. One or more independent rating agencies may assign ratings to the Covered Bonds and/or the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this paragraph, and other factors that may affect the value of the Covered Bonds or the standing of the Issuer. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in the applicable credit rating could adversely affect the trading price of the Covered Bonds.

Furthermore, in general, EEA 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 EEA and registered under the EU CRA Regulation unless (1) 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 EU CRA Regulation, or (2) 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 United Kingdom and registered under

Regulation (EU) No 1060/2009 on credit rating agencies, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") unless (1) the rating is provided by a credit rating agency not established in the United Kingdom but is endorsed by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation, or (2) the rating is provided by a credit rating agency not established in the United Kingdom which is certified under the UK CRA Regulation.

Interest rate risks

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

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have previously been published or which are published simultaneously with this Base Prospectus. Such documents shall be incorporated by reference in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall 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 not, except as so modified or superseded, constitute a part of this Base Prospectus.

1. Issuer's by-laws (*Statuto*) as of the date of this Base Prospectus, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/191148577/Articles+of+Association.pdf/7ad14f30-6f1b-4812-4a03-38866f41e523?version=1.3&t=1669652513193&download=true

2. Guarantor's by-laws (*Statuto*) as of the date of this Base Prospectus, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/133965830/Estense+CPT+Covered+Bond+by-law_English.pdf/733de8e3-004e-eb20-be20-f3b44f58c64e?version=1.0&t=1576246409544&download=true

3. Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2023, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/2732143984/Consolidated+half+year+report+as+at+30+06+2023.pdf/dfe5fb52-aa54-ebaa-7839-8f7cf8ba3c2e?version=1.0&t=1696588702782&download=true

4. Issuer's unaudited consolidated interim report on operations (without a review report) as at 31 March 2023, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/2732143984/Consolidated+interim+report+on+operations+as+at+31+03+2023.pdf/164af6a5-f2bc-b8a6-7b51-498b1c68ec0f?version=1.0&t=1690836941548&download=true

5. Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/2131684318/Annual+Report+2022+%28PDF%29.pdf/b8517d71-0cce-df7f-aa54-87d355d1d6b1?version=1.0&t=1687883613005&download=true

6. Issuer's consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 in respect of the year ended on 31 December 2022 (Sustainability Report 2022), that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/191166662/Sustainability+Report+2022.pdf/ac90b602-b0b2-c8ea-4a54-984ad6cf467d?version=1.1&t=1685024273865&download=true

7. Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2022, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/2131684318/Consolidated+half-year+financial+statements+as+at+30+06+2022.pdf/696afa63-7d81-4531-4425-0c0e040246e5?version=1.0&t=1665762565904&download=true

8. Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/1357214240/2021+Annual+Report+%28PDF%29.pdf/10d25ff6-4572-3a4d-f9fd-059f5d37a094?version=1.0&t=1656508516889&download=true

9. Guarantor's audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022, that can be obtained at the webpage: https://istituzionale.bper.it/documents/133577364/133965830/Estense+CPT+Covered+Bond+-+FY+2022+with+Auditor+Opinion.pdf/f2ed72e4-d1b5-3aff-03b1-13de62115ca9?version=1.0&t=1697460610109&download=true

10. Guarantor’s audited annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021, that can be obtained at the webpage:
https://istituzionale.bper.it/documents/133577364/133965830/Estense+CPT+Covered+Bond+-+FY+2021+with+Auditor+Opinion.pdf/dd6614fa-f4d0-dcdf-c91a-2724c4458525?version=1.0&t=1697460599039&download=true

11. BPER Group press release dated 26 April 2023 entitled “*Results of the Ordinary Shareholders’ Meeting of 26 April 2023*”, that can be obtained at the webpage:
https://istituzionale.bper.it/documents/133577364/0/Results_of_the_Ordinary_Shareholders__Meeting_of_26_April_2023_S.pdf/97952efe-7800-f951-496b-8debe8a171b1?t=1682519138497

12. Issuer's unaudited consolidated interim report on operations (without a review report) as at 30 September 2023, that can be obtained at the webpage:
https://istituzionale.bper.it/documents/133577364/2732143984/Consolidated+interim+report+on+operations+as+at+30+09+2023.pdf/237fc734-e435-b52d-e3ed-9086b72dc838?version=1.0&t=1702658035986&download=true

13. BPER Group press release dated 23 December 2023 entitled “*Agreement signed between BPER Banca and Trade Unions*”, that can be obtained at the webpage:
https://istituzionale.bper.it/documents/133577364/2789463703/1703344856_23.12.23_Workforce_optimisation_process.pdf/9b452fc5-b85e-f4ba-5b57-37ff21d2f23a?t=1703348237508

Such documents have been previously published or are published simultaneously with this Base Prospectus and have been filed with the CSSF. Such documents shall be incorporated by reference in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall 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 not, except as so modified or superseded, constitute a part of this Base Prospectus.

The table below sets out the relevant page references for: (i) the Issuer’s by-laws (*Statuto*) as of the date of this Base Prospectus; (ii) the Guarantor’s by-laws (*Statuto*) as of the date of this Base Prospectus; (iii) the Issuer’s unaudited consolidated half-year report (including limited review report) as at 30 June 2023; (iv) the Issuer’s unaudited consolidated interim report on operations (without a review report) as at 31 March 2023; (v) the Issuer’s consolidated audited annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022; (vi) the Issuer’s consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 in respect of the year ended on 31 December 2022 (Sustainability Report 2022); (vii) the Issuer’s unaudited consolidated half-year report (including limited review report) as at 30 June 2022; (viii) the Issuer’s consolidated audited annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021; (ix) the Guarantor’s audited annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022; (x) the Guarantor’s audited annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021; (xi) the BPER Group press release dated 26 April 2023 entitled “Results of the Ordinary Shareholders’ Meeting of 26 April 2023”; (xii) the Issuer's unaudited consolidated interim report on operations (without a review report) as at 30 September 2023 and (xiii) the BPER Group press release dated 23 December 2023 entitled “Agreement Signed Between BPER Banca and Trade Unions”.

Copies of documents incorporated by reference into this Base Prospectus may be obtained from the registered office of the Issuer on the Issuer’s website (*https://istituzionale.bper.it/*). This Base Prospectus and the documents incorporated by reference will also be available on the Luxembourg Stock Exchange’s web site (*www.luxse.com*).

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Base Prospectus and is either not relevant for the investor or it is covered elsewhere in this Base Prospectus.

Comparative Table of Documents incorporated by reference

Document	Information incorporated	Page numbers
Issuer's by-laws (*Statuto*)	Entire document	All
Guarantor's by-laws (*Statuto*)	Entire document	All
Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2023		
	Consolidated balance sheet as at 30 June 2023	Pages 80 to 81
	Consolidated Income Statement as at 30 June 2023	Page 82
	Consolidated statement of other comprehensive income	Page 83
	Consolidated statement of changes in shareholders' equity	Page 84
	Consolidated Statement of Cash Flows	Pages 85 to 86
	Consolidated explanatory notes and attachments	Pages 88 to 194
	Independent auditors' limited review report	Pages 199 to 200 (reference is to the pages of the pdf version)
Issuer's unaudited consolidated interim report on operations (without a review report) as at 31 March 2023		
	Consolidated balance sheet as at 31 March 2023	Page 59
	Consolidated income statement as at 31 March 2023	Page 60
	Consolidated statement of other comprehensive income	Page 61
	Consolidated statement of changes in shareholders' equity	Page 62
	Consolidated explanatory notes and attachments	Pages 63 to 125
Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto		

Document	Information incorporated	Page numbers
and the relevant accounting principles in respect of the year ended on 31 December 2022		
	Consolidated balance sheet as at 31 December 2022	Page 94
	Consolidated Income Statement as at 31 December 2022	Page 95
	Consolidated statement of other comprehensive income	Page 96
	Consolidated statement of changes in shareholders' equity	Page 97
	Consolidated Statement of Cash Flows	Pages 98 to 99
	Consolidated explanatory notes and attachments	Pages 101 to 412
	Independent auditors' report	Pages 417 to 426
Issuer's consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 in respect of the year ended on 31 December 2022 (Sustainability Report 2022)		
	History	Pages 18 to 20
	Mission and Approach	Page 21
	The BPER Group's Commitments	Pages 22 to 27
	Governance and Organisation Model	Pages 28 to 30
	ESG Governance	Pages 30 to 31
	Relation with Suppliers	Pages 42 to 43
	Ethics and Integrity	Pages 44 to 53
	Group Stakeholders and Materiality Analysis	Pages 54 to 63
	Customers and ESG Offer	Pages 64 to 97
	People	Pages 98 to 119
	Relations with the Community	Pages 136 to 147

Document	Information incorporated	Page numbers
	Annex I –The EU Taxonomy of environmentally sustainable activities	Pages 148 to 150
	Annex II –Materiality Analysis	Pages 151 to 155
	GRI Content Index	Pages 163 to 178
	Independent Auditor's Report	Pages 180 to 182
Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2022		
	Consolidated balance sheet as at 30 June 2022	Page 91
	Consolidated income statement as at 30 June 2022	Page 92
	Consolidated statement of other comprehensive income	Page 93
	Consolidated statement of changes in shareholders' equity	Page 94
	Consolidated Statement of Cash Flows	Pages 95 to 96
	Consolidated explanatory notes and attachments	Pages 97 to 227
	Independent auditors' limited review report	Pages 230 to 231
Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021		
	Consolidated balance sheet as at 31 December 2021	Page 99
	Consolidated income statement as at 31 December 2021	Page 100
	Consolidated statement of other comprehensive income	Page 101

Document	Information incorporated	Page numbers
	Consolidated statement of changes in shareholders' equity	Page 102
	Consolidated statement of cash flows	Pages 103 to 104
	Consolidated explanatory notes and attachments	Pages 105 to 472
	Independent auditors' report	Pages 477 to 489
Guarantor's audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022		
	Balance sheet	Page 13
	Income statement	Page 13
	Statement of comprehensive income	Page 14
	Statement of changes in equity	Page 15
	Cash Flow Statement	Page 16
	Explanatory notes	Pages 17 to 73
	Independent auditor's report	Pages 74 to 76 (reference is to the pages of the pdf version)
Guarantor's audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021		
	Balance sheet	Page 13
	Income statement	Page 13
	Statement of comprehensive income	Page 14
	Statement of changes in equity	Page 15
	Cash Flow Statement	Page 16
	Explanatory notes	Pages 17 to 73
	Independent auditor's report	Pages 74 to 76 (reference is to

Document	Information incorporated	Page numbers the pages of the pdf version)
BPER Group press release dated 26 April 2023 entitled "Results of the Ordinary Shareholders' Meeting of 26 April 2023"	Entire document	All
Issuer's unaudited consolidated interim report on operations (without a review report) as at 30 September 2023		
	BPER Banca Group structure as at 30 September 2023	Page 15
	Performance ratios	Page 17
	Consolidated balance sheet as at 30 September 2023	Page 67
	Consolidated income statement as at 30 September 2023	Page 68
	Consolidated statement of other comprehensive income	Page 69
	Consolidated statement of changes in shareholders' equity	Page 70
	Explanatory notes and attachments	Pages 71 to 136
BPER Group press release dated 23 December 2023 entitled "*Agreement Signed Between BPER Banca and Trade Unions*"	Entire document	All

Alternative Performance Measures

The information provided is consistent with the ESMA document of 5 October 2015 "Guidelines on Alternative performance measures", aimed at promoting the usefulness and transparency of alternative performance measures ("**APM**") included in prospectuses or documents containing regulated information.

In order to better evaluate the BPER Group financial management performance, the management has identified several APM. The management believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the same, because they facilitate the identification of significant operating trends and financial parameters. This Base Prospectus contains alternative performance measures which are used by the management of the Issuer to monitor its financial and operating performance.

For any further information related to APMs see also the relevant footnotes on relevant tables referred to performance ratios data as at 30 September 2023, 30 June 2023, 31 March 2023, 31 December 2022, 30 June 2022 and 31 December 2021.

It should be noted that:

(i) the APMs are based exclusively on the BPER and BPER Group historical data and are not indicative of the future performance;

(ii) the APMs are not derived from IFRS and, as they are derived from the consolidated financial statements of BPER and BPER Group prepared in conformity with these principles, they are not subject to audit;

(iii) the APMs are non-IFRS financial measures and are not recognised as measures of performance or liquidity under IFRS and should not be recognised as alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;

(iv) the APMs should be read together with financial information for BPER and BPER Group taken from the Issuer's unaudited consolidated interim report on operations (without a review report) as at 30 September 2023, from the Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2023, the Issuer's unaudited consolidated interim report on operations (without a review report) as at 31 March 2023, the Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022, the Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2022 and Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021;

(v) since all companies do not calculate APMs in an identical manner, the presentation of BPER and BPER Group may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on these data;

(vi) the APMs and definitions used herein are consistent and standardised for all the period for which financial information in this Base Prospectus are included.

The Issuer has selected and represented the APMs set out below as it believes that they are a useful means to obtain a better understanding of the economic and financial performance, because they facilitate the identification of important operating trends and financial parameters peculiar to the areas of the Issuers business activities:

- **TEXAS Ratio**: calculated as total gross non-performing loans on net tangible equity plus impairment provisions for nonperforming loans. The Texas ratio assesses a bank's financial position. It is a measure of a bank's credit quality;

- **ROE**: calculated as ratio of net profit for the year on average shareholders' equity of the Group not including net profit. It is considered a gauge of a corporation's profitability and how efficient it is in generating profits;

- **ROTE**: calculated as net profit for the year on average shareholders' equity of the Group not including net profit and intangible assets. It measures the rate of return on the tangible common equity;

- **ROA**: calculated as net profit for the year (including net profit pertaining to minority interests) on total assets. It is a metric that indicates a company's profitability in relation to its total assets;

- **The Cost to income ratio**: calculated on the basis of the reclassified income statement (operating costs/operating income) and on the basis of the schedules provided by the 7th update of Bank of Italy Circular no. 262. It is one of the main indicators of the Issuer's operational efficiency;

- **The Cost of credit risk**: calculated as net impairment losses to loans to customers on net loans to customers. It is the measure of the cost of managing risk and incurring losses due to risk.

The information that is not included in the cross-reference list above is considered additional information not incorporated by reference and is either not relevant for investors or covered elsewhere in the Base Prospectus or not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980.

The Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2023 has been subject to limited review by Deloitte and Touche S.p.A. ("**Deloitte**") in its capacity as independent auditor of the Issuer, as indicated in its report thereon.

The Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022 and 31 December 2021 have been audited by Deloitte in its capacity as independent auditors of the Issuer, as indicated in its reports thereon.

The financial statements of the Guarantor as at and for the years ended on 31 December 2022 and 31 December 2021 have been audited by Deloitte in its capacity as independent auditors of the Guarantor, as indicated in its reports thereon.

The financial statements incorporated by reference herein are English translations of the Italian financial statements prepared for and used in Italy and have been translated for the convenience of international readers. The Issuer takes responsibility for the translation of the financial statements relating to it and incorporated by reference herein, whereas the translation of the auditors' report was received directly from the independent auditors of the Issuer, Deloitte. The Guarantor takes responsibility for the translation of the balance sheets, statements of income and notes of the financial statements relating to it and incorporated by reference herein, whereas the translation of the auditors' report was received directly from the independent auditors of the Guarantor, Deloitte.

Deloitte has given, and has not withdrawn, its consent to the inclusion of its reports on the accounts of the Issuer and the Guarantor in this Base Prospectus in the form and context in which they are included.

The financial statements referred to above have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board ("**IASB**") and the relative interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"), as adopted by the European Union under Regulation (EC) 1606/2002.

Availability of Documents

Copies of all documents incorporated herein by reference may be obtained without charge at the head office of the Luxembourg Listing Agent in the city of Luxembourg and may be obtained from the registered office of the Issuer on the Issuer's website (*https://istituzionale.bper.it/*) or at the website of the Luxembourg Stock Exchange (*www.luxse.com*). Written or oral requests for such documents should be directed to the specified office of the Luxembourg Listing Agent.

BASE PROSPECTUS SUPPLEMENT

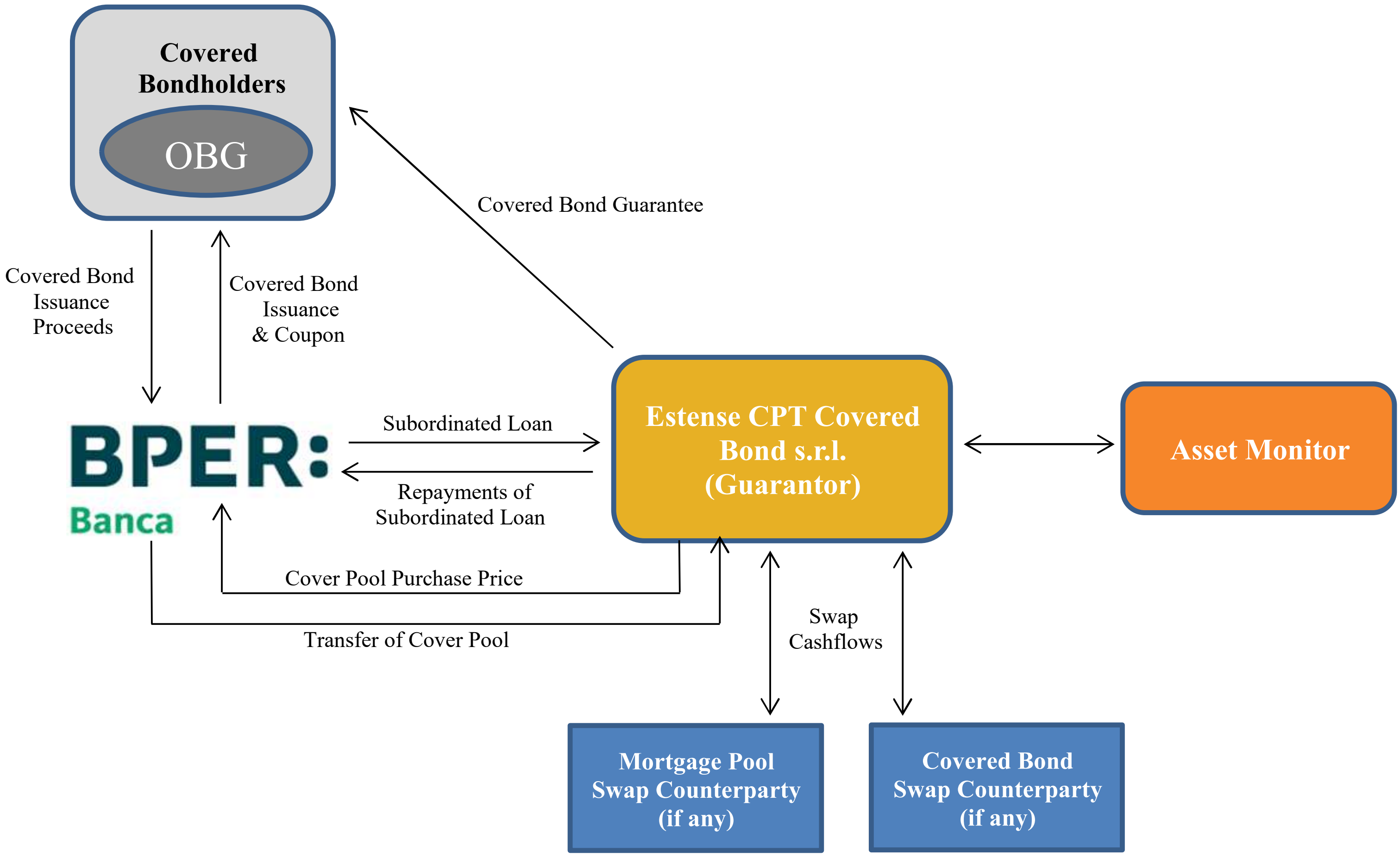
If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, in respect of any subsequent issue of Covered Bonds to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement as required by the above mentioned article 23 of the Prospectus Regulation.

In connection with the listing on the Official List and admission to trading on the Luxembourg Stock Exchange's regulated market of the Covered Bonds, the Issuer has given an undertaking to the Dealer(s) that, if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor, and the rights attaching to the Covered Bonds, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Covered Bonds and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

STRUCTURE DIAGRAM

The following structure diagram does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus. Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this structure diagram.

Italian Covered Bond Framework



DESCRIPTION OF THE ISSUER AND INITIAL SELLER

General

BPER Banca S.p.A. (previously, Banca popolare dell'Emilia Romagna Società Cooperativa) ("**BPER**", "**BPER Banca**" or the "**Parent Company**") is a bank incorporated as a joint-stock company (società per azioni), operating in accordance with Italian Legislative Decree No. 385 of 1 September 1993. It is the parent company of the BPER Banca banking Group (the "**BPER Group**" or the "**BPER Banca Group**"), which was incorporated under the laws of the Republic of Italy on 29 December 1983 and, pursuant to its By-laws, its final term ends on 1 December 2100 and may be extended. The change of denomination from Banca popolare dell'Emilia Romagna Società Cooperativa to BPER Banca S.p.A. occurred on the basis of the Extraordinary Shareholders' Meeting held in Modena on 26 November 2016.

BPER's registered office is in Via San Carlo 8/20, Modena, Italy (Telephone number: +39 059 2021111). BPER is registered in the Bank of Italy's register of banks under number 4932 and with the Chamber of Commerce of Modena under number 01153230360.

The authorised and paid up share capital of BPER as at the date of this Base Prospectus was Euro 2,104,315,691.40 divided into 1,415,850,518 shares.

BPER Group's website: https://istituzionale.bper.it

The Legal Entity Identifier code of the Issuer is N747OI7JINV7RUUH6190 (expiring in November 2024).

BPER's shares are listed on the Italian stock market and are included into the FTSE MIB index.
Starting from September 2009 BPER's shares were also included in the Dow Jones STOXX 600.

BPER was initially established under the name Banca Popolare di Modena. In 1983, it was merged with Banca Cooperativa di Bologna, changing its name to Banca Popolare dell'Emilia. In 1992, BPER acquired Banca Popolare di Cesena and changed its name to Banca popolare dell'Emilia Romagna Società Cooperativa.

In 1994, the BPER Group acquired control of Banca Popolare di Ravenna S.p.A. ("**Banca Popolare di Ravenna**"), and in 1996, of Banca CRV – Cassa di Risparmio di Vignola S.p.A. ("**Banca CRV**"), consolidating its presence in Emilia Romagna.

BPER has established a strong foothold in the southern regions of Italy through the acquisitions, in 1995, of Banca Popolare di Lanciano e Sulmona S.p.A. ("**BPLS**") and Banca Popolare del Materano S.p.A. ("**Banca Popolare del Materano**"), and in 1996, Banca Popolare di Crotone S.p.A. ("**Banca Popolare di Crotone**").

As at the date of this Base Prospectus, BPER holds 100% of the share capital of BPER Bank Luxembourg S.A., a company set-up in 1996 whose headquarters are located in Luxembourg and whose business focus is on private banking, investment management and corporate banking services.

In 1998 BPER acquired control of Banca del Monte di Foggia S.p.A. At the end of 1998 BPER acquired approximately 55 per cent of the share capital of Banca Popolare di Aprilia S.p.A. ("**BPA**"). The acquisition, in 1999, of Banca Popolare di Salerno S.p.A. ("**Banca Popolare di Salerno**"), Cassa di Risparmio dell'Aquila S.p.A. ("**Carispaq**") and, in 2000, of Banca Popolare dell'Irpinia S.p.A. ("**Banca Popolare dell'Irpinia**") resulted in BPER consolidating its strong franchise in Campania and Abruzzo regions.

In 2001 BPER acquired control of the Banco di Sardegna group (51 per cent of the share capital), creating one of the largest banking groups in the country with a domestic network of approximately 1,000 branches and more than 10,000 employees at that time.

In June 2003 BPER subsidiaries Banca Popolare dell'Irpinia and Banca Popolare di Salerno merged to form the banking entity Banca della Campania S.p.A. ("**Banca della Campania**"), into which Banca del Monte di Foggia S.p.A. merged on 28 December 2006

In 2005 BPER became the sole shareholder of ABF Leasing S.p.A. In June 2014 BPER and Banco di Sardegna resolved to commence the merger by incorporation of ABF Leasing S.p.A. into Sardaleasing S.p.A. The latter is a company operating in all leasing segments, with a distribution focus in the Sardinia region.

In 2005 BPER became the sole shareholder of Banca CRV.

In 2007, BPER acquired 48.75 per cent of the share capital of Arca Vita S.p.A. ("**Arca Vita**").

In November 2008, BPER subsidiaries Banca Popolare del Materano and Banca Popolare di Crotone merged to form a new banking entity named Banca Popolare del Mezzogiorno S.p.A. ("**Banca Popolare del Mezzogiorno**").

In March 2009, BPER acquired the entire share capital of Meliorbanca S.p.A. in a public tender offer. As a result, BPER – among others – gained indirect control over Banca della Nuova Terra S.p.A. ("**BNT**"), a bank specialised in agricultural loans, and Arca Vita that, in turn, controls ARCA Assicurazioni S.p.A, which specialises in non-life insurance. The latter two companies were already BPER Group's insurance partners.

Reorganisation of the ownership of BNT was completed on 3 February 2010. As a result of such reorganisation, the BPER Group released control of BNT and the investment in BNT was allocated in equal shares among the four banking shareholders (individually and/or at a group level).
In April 2014, BNT signed a contract with a securitisation vehicle called BNT Portfolio SPV s.r.l. set up in accordance with Law 130/1999. The contract involved a without-recourse sale *en bloc* of a large part of the existing and future portfolio of performing and non-performing loans resulting from loan contracts granted and/or held by BNT.
The notes issued by the SPV in a single tranche were subscribed by the member banks of BNT substantially in proportion to their respective interests.

In 2009 the BPER Group was closely involved in the plan to restructure Banca Italease S.p.A. ("**Banca Italease**"). The implementation of the project began with the establishment of two companies, Release S.p.A. ("**Release**") and Alba Leasing S.p.A. ("**Alba Leasing**"). A considerable portion of the assets and liabilities of Banca Italease were contributed to these companies: in particular its impaired assets went to Release, while its performing loans deriving from the banking channel went to Alba Leasing.

In June 2010 BPER and Banca Popolare di Sondrio S.c.p.A. ("**BPS**") transferred control over Arca Vita to Unipol Gruppo S.p.A. ("**Unipol Group**").

In July 2010 the plan for the absorption of Banca CRV into BPER was approved.

On 17 February 2012 BPER set up BPER Trust Company S.p.A. as a wholly-owned subsidiary. The objects of the company were mainly to act as trustee for trusts established by customers, as well as to provide advice on trust matters.

In November 2012 the merger by absorption of Meliorbanca S.p.A. by BPER took place.

In January 2013 BPER, Carispaq, BPLS and BPA approved a plan of merger by incorporation of Carispaq, BPLS and BPA (hereinafter, the "**Merged Companies**") into BPER. Having successfully concluded the merger of the Merged Companies, an equally important effort was made in 2014 to implement a major project of internal reorganization: the absorption by BPER of three further subsidiary banks, such as Banca Popolare del Mezzogiorno, Banca della Campania and Banca Popolare di Ravenna.

In February 2013 BPER completed a process aimed at gaining control of Cassa di Risparmio di Bra S.p.A. ("**CR Bra**").

In 2016 BPER consolidated its own direct control of Banca di Sassari S.p.A. ("**Banca di Sassari**") – originally a subsidiary company of Banco di Sardegna S.p.A. ("**Banco di Sardegna**") – with the view to allowing Banca di Sassari to focus on consumer credit lending activity and electronic payment system business. In April 2020 Banca di Sassari changed its name to Bibanca S.p.A ("**Bibanca**").

In October 2016 BPER acquired 48.98% of the share capital of Cassa di Risparmio di Saluzzo S.p.A. ("**CR Saluzzo**").
On 27 July 2020 BPER the merger through absorption of CR Bra and CR Saluzzo into BPER was completed.

On 30 June 2017 BPER performed the acquisition from the Single Resolution Fund of 100% of the share capital of Nuova Cassa di Risparmio di Ferrara S.p.A. ("**Nuova Carife**"), which was merged into BPER in November 2017.

On 22 July 2019 BPER and BPS completed the purchase of the shares of Arca Holding S.p.A. ("**Arca Holding**") auctioned off by the receiverships of Banca Popolare di Vicenza S.p.A. and Veneto Banca S.p.A. (both in LCA (*liquidazione coatta amministrativa*)), which in turn holds all the shares of Arca Fondi SGR.

On 25 July 2019 BPER acquired from Fondazione di Sardegna a 49% stake of Banco di Sardegna share capital and a stake of Banco di Sardegna preferred shares equal to approximately 36.90%. BPER currently holds the equivalent to 99.457% of the entire share capital of Banco di Sardegna, consisting of ordinary and preference shares.

On 31 July 2019 BPER purchased 100% of Unipol Banca S.p.A. ("**Unipol Banca**") from Unipol Group and UnipolSai Assicurazioni S.p.A. ("**UnipolSai**").
With effect from 25 November 2019 the deed of merger by incorporation of Unipol Banca with and into BPER was completed.

BPER Group's Non-Performing Exposure Strategy for the period 2018-2020 provided for the sale of bad loans at a Group level for a total gross book value of between Euro 3.5 and Euro 4.5 billion over 3 years, of which approximately Euro 3.0 billion through two securitisation transactions ("**4Mori Sardegna**" and "**AQUI**") were finalised within 2018.
The following Group's NPE Strategy on the 2019-2021 horizon took into consideration the qualitative recommendations of the ECB contained in the 2018 SREP Decision.
In March 2021 BPER approved the new NPE Strategy 2021-2023 in a "stand-alone" version.
On 7 July 2020, the BPER Group completed the sale, to an institutional investor, of 95% of the mezzanine and junior tranches of securities issued as part of the Spring bad loan securitisation, with a gross book value of € 1.2 billion as at 30 September 2019 ("**Spring**").
In December 2020 BPER completed a new securitisation of a bad loan portfolio ("**Summer**").

In the first half of 2021, the BPER Group prepared and partially executed several sales, mostly of "portfolios", involving positions classified as "Unlikely-ToPay" ("**UTP**"), to investors and mutual funds specialised in credit recovery management.

In 2020 BPER entered into an agreement with the Intesa Sanpaolo Group ("ISP") pursuant to which BPER purchased a going concern composed of approximately 1.2 million clients, distributed on the relevant banking branches of the former UBI Banca S.p.A. ("**UBI**").

In April 2020 the BPER ordinary and extraordinary shareholders' meeting approved, inter alia, the proposal to grant the Board of Directors the power to increase the share capital for payment for a maximum amount of Euro 1.0 billion in order to fund the transaction with ISP.

The transfer to BPER of the acquired business units took place in the first half of 2021.

On 28 July 2021 the BPER Group formally commenced (by means of a legal transfer to an SPV) the activities aimed at a further massive sale of non-performing loans, completed during the second half of 2021 by means of a securitisation transaction in compliance with the requirements and to be assisted by the Italian State guarantee scheme (GACS).

On 29 March 2022 the NPE Strategy 2022-2024 Guidelines were approved, having been developed on a "stand-alone" basis with an underlying macroeconomic scenario prior to the Russia-Ukraine conflict. These targets were revised and updated on 9 June 2022, when BPER approved the Plan (as defined below), which incorporated not only the acquisition of the Banca Carige S.p.A. Group ("**Carige Group**") but also a macroeconomic scenario conditioned by the Russia-Ukraine conflict by defining the target of non-performing exposures as at 2025.

In June 2022 BPER executed the acquisition of the Carige Group. The merger by absorption of Banca Carige S.p.A. (“**Banca Carige**” or “**Carige**”) and Banca del Monte di Lucca S.p.A. (a subsidiary company of Carige’s) into BPER took place in November 2022.

Strategy

2022-2025 Business Plan

On 9 June 2022 BPER’s Board of Directors approved the BPER Group’s new Business Plan 2022-2025, called “BPER e-volution” (the “**Plan**”).

The Plan is based on 5 project areas:

- strengthening the multi-specialist bank model on a national scale;
- transformation of the revenue model to a “fee based perspective” by rotation toward business capital light models to increase fee contribution on total revenue;
- partnership between IT and business for transformation and growth;
- rationalization of the distribution network accompanied by simplification of processes to be achieved through increased digitization and adjustment of customer service models from an omnichannel perspective;
- enhancement of human capital through training plans, new career paths, and new work environments/models.

The above project areas will be supported by 3 levers:

- de-risking and credit monitoring: the divestment of the non-performing loans and UTP recovery platform together with the sale of additional NPE portfolios and improved management and workout activities will help reduce the gross NPE ratio structurally below 4 percent (3.6 percent as of 2025), while assuming very conservative assumptions about NPE flows to incorporate the macroeconomic scenario resulting from the ongoing Russia-Ukraine conflict;
- new innovation model as an accelerator of the Group’s transformation path and an engine of new growth;
- ESG infusion: the Plan outlines the BPER Group's ESG development, with the aim of creating long-term shared value through the strengthening of sustainability issues within the corporate business model.

The extraordinary transactions envisaged in the Plan are aimed at further strengthening the competitive position at the national level and ensuring a greater focus on the activities identified as “core” for the BPER Group, thus also providing for divestments and deconsolidations of non-strategic assets, which will free up capital to be allocated to business development.

Extraordinary transactions

Acquisition of the Carige Group:

On the capital absorption front, benefits in terms of lower RWAs are expected over the Plan period due to the extension of AIRB models on the perimeter of loans to customers originating from Carige, with an estimated positive impact of about 40 b.p. on the capital position.

Disposal of internal platform of bad debt recovery and UTP and subsequent activation of NPE servicing:

The transaction is part of the broader de-risking strategy that the BPER Group has been effectively pursuing in recent years and envisages the sale of the internal platform for the recovery of non-performing loans and UTPs. Completion of the transaction is expected in the first half of 2024.

Disposal of merchant acquiring business:

In June 2022 a strategic agreement was signed with Nexi S.p.A. for the establishment of a long-term partnership to be realized through the transfer of the business unit having as its object merchant acquiring and POS management activities. The transaction enabled the BPER Group to enhance the value of these activities by taking advantage of the specialization and economies of scale enabled by the new partnership with Nexi S.p.A., while maintaining significant economic exposure to the merchant acquiring business. The deal closing enabled the BPER Group to realize a significant capital gain.

Deconsolidation Long Term Rental Company

BPER and UnipolSai signed an agreement to start a strategic commercial partnership in long-term rental which will be achieved, *inter alia*, via the merger by absorption of Società Italiana Flotte Aziendali S.p.A., entirely controlled by BPER, into UnipolRental S.p.A. ("**UnipolRental**"), a company controlled by UnipolSai.

Upon completion of the merger, BPER will hold a 19.987% interest in the share capital of UnipolRental, with which it will enter into a long-term commercial agreement for the referral of customers to UnipolRental through BPER's branch network.

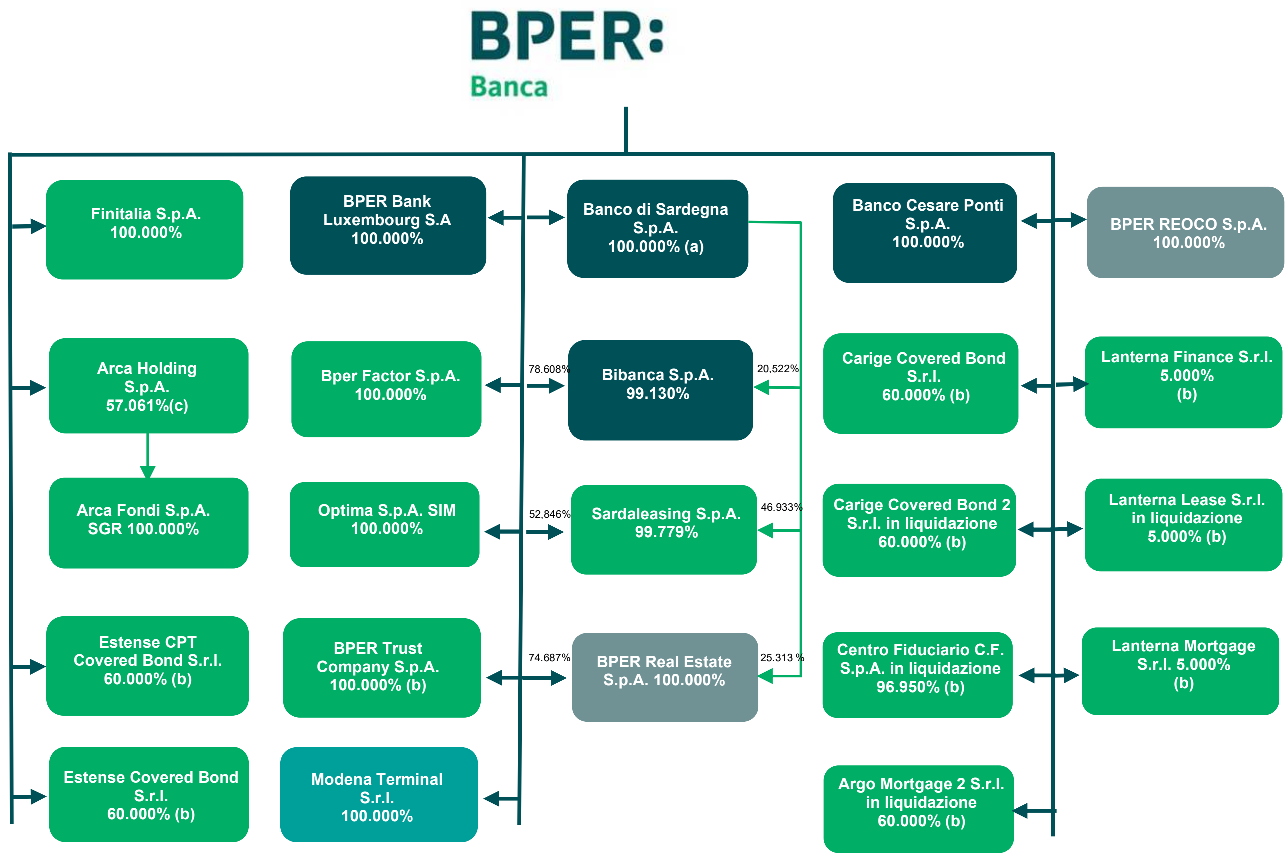
Creation of the Wealth Management & Asset Management hub:

Planned enhancement of Banca Cesare Ponti S.p.A. as a specialized vehicle and pillar of excellence directly serving private customers, as well as an investment management and advisory center with the task of coordinating the various product factories focused on the WM business. This operation will maximize synergies between the distribution networks and the product companies of the Asset Management and Bancassurance Vita business. For further details see the "*Recent Developments*" section below.

BPER Group

The BPER Group structure as at 30 September 2023 is as shown here below.

SITUATION AS AT 30 SEPTEMBER 2023



(a) Equivalent to 99.457% of the entire share capital consisting of ordinary and preference shares.

(b) Subsidiaries consolidated under the equity method.

(c) Subsidiary company which is not included in the Banking Group since it does not contribute directly to its activities.

St. Anna Gestione Golf Società Sportiva Dilettantistica s.r.l., a subsidiary of BPER REOCO through St. Anna Golf s.r.l., was excluded from the scope of consolidation as it was considered non-significant.

The scope of consolidation also includes the following subsidiaries which are not included in the BPER Group, since they do not contribute directly to its activities. These companies are consolidated under the equity method.

Subsidiaries of the Parent Company:
- Adras S.p.A. (100%);
- Commerciale Piccapietra S.r.l. (100%);
- Bridge Servicing S.p.A. (100%).

Subsidiaries of BPER Reoco S.p.A.:
- Annia S.r.l. (100%);
- Sant'Anna Golf S.r.l. (100%).

The following companies are the principal subsidiaries of BPER as at the date of this Base Prospectus.

Banco di Sardegna

At the date of this Base Prospectus, BPER holds 100 per cent. of the ordinary voting shares of Banco di Sardegna. As at 30 June 2023, Banco di Sardegna employed 1,970 staff and had 290 branches; its total direct and indirect deposits amounted to Euro 16,402,560 thousand whilst net profit was Euro 93,611 thousand.

Bibanca (former Banca di Sassari)

At the date of this Base Prospectus, BPER and Banco di Sardegna hold, respectively, 78.608 and 20.522 per cent. of the ordinary voting shares of Bibanca. As at 30 June 2023, Bibanca employed 215 staff and had no branches; its total direct deposits amounted to Euro 257,530 thousand (Bibanca had no indirect deposit) whilst net profit was Euro 28,005 thousand.

Banca Cesare Ponti S.p.A.

At the date of this Base Prospectus, BPER holds 100 per cent. of the ordinary voting shares of Banca Cesare Ponti. As at 30 June 2023, Banca Cesare Ponti employed 32 staff and had 2 branches; its total direct and indirect deposits amounted to Euro 1,200,239 thousand whilst net profit was Euro 642 thousand.

BPER Bank Luxembourg s.a.

At the date of this Base Prospectus, BPER holds 100 per cent of the share capital of BPER Bank Luxembourg s.a. As at 30 June 2023, BPER Bank Luxembourg s.a. employed 29 staff and had 1 branch; its total direct and indirect deposits amounted to Euro 2,092,086 thousand whilst net profit was Euro 4,601 thousand.

Dependence

The Issuer is not dependent upon any other entity within the BPER Group.

Management of BPER

Board of Directors

The board of directors of BPER (the "**Board of Directors**") is composed of 15 members (including the Chairperson). At the date of this Base Prospectus, after the resignation of Mr. Gianfranco Farre on 1 June 2023, there are 14 members appointed.

Name	Title	In office since
Flavia Mazzarella	Chairperson	21/04/2021
Piero Luigi Montani	Chief Executive Officer	21/04/2021
Riccardo Barbieri	Deputy Chairperson	21/04/2021
Elena Beccalli	Director	21/04/2021
Monica Cacciapuoti	Director	05/11/2022
Silvia Elisabetta Candini	Director	21/04/2021
Maria Elena Cappello	Director	21/04/2021
Cristiano Cincotti	Director	21/04/2021
Alessandro Robin Foti	Director	21/04/2021
Roberto Giay	Director	21/04/2021

Gianni Franco Papa	Director	21/04/2021
Marisa Pappalardo	Director	21/04/2021
Monica Pilloni	Director	21/04/2021
Elisa Valeriani	Director	23/06/2021

General Management

Name	Title
Gian Luca Santi	Deputy General Manager
Elvio Sonnino	Deputy General Manager

The Manager responsible for preparing the Issuer's financial reports is:

Name	Title
Marco Bonfatti	Manager responsible for preparing the Issuer's financial reports

The business address of each of the above is c/o BPER, Via S. Carlo 8/20, 41121 Modena, Italy.

The General Managers and the Manager responsible for preparing the Issuer's financial reports are referred to as Senior Executives.

The Board of Directors is required under the BPER By-laws to meet monthly and at any other time when a meeting is convened by the Chairperson or called by one third of the Directors or by the Board of Statutory Auditors.

The Board of Directors is vested with all the powers for the ordinary and extraordinary administration of BPER, except those which are expressly reserved to the exclusive authority of the shareholders by Italian law or under the BPER By-laws.

Subject to the foregoing, the Board of Directors may delegate to the executive committee[1], the Chief Executive Officer and the General Managers such powers and duties regarding BPER's business and operations as it shall consider appropriate.

Administrative, management and control bodies and Senior Executives conflicts of interests

There are no conflicts of interest between any duties to the issuer and the private interests and/or other duties concerning the members of the Issuer's administrative, management and control bodies, as well as the Senior Executives, with the exception of those possibly relating to the transactions submitted to the competent corporate bodies of the Bank according to the established procedures, in strict compliance with the laws and regulations in force.

The Bank has in place procedures, in accordance with CONSOB Regulation no. 17221 of 12 March 2010 as amended and Bank of Italy Circular no. 285 of 17 December 2013 as amended, aimed at identifying and managing potential conflicts of interest that may arise from, among others, any activities of the members of the Issuer's administrative, management and control bodies, as well as the Senior Executives outside of the Issuer, to ensure, where possible, that no actual or potential conflicts of interest will arise and to guarantee that related party transactions are performed in compliance with all relevant requirements of law.

[1] Presently no executive committee has been appointed.

In this regard, it should be noted that the Board of Directors, on May 20, 2021, approved the internal document called "*Group Policy for the governance of the risk of non-compliance with regard to conflicts of interest with related parties and risk towards related parties*", after obtaining the favorable opinion of the committee composed of independent Directors and the control body, in order to ensure, among other things, the transparency and substantial and procedural correctness of the transactions carried out with associated parties and related parties. The aforementioned policy is published on BPER's website, https://istituzionale.bper.it.

Finally, it should be noted that the members of the administrative, management and control bodies of the Bank, as well as the Senior Executives, are required to comply with the regulatory provisions referred to below, aimed at regulating cases in which the interests of the aforementioned subjects may be identified:

(i) article 53 of the Italian Legislative Decree No. 385 of 1 September 1993, which provides for the obligation of abstention for directors with a conflicting interest, on their own or on behalf of third parties, without prejudice to the obligations under article 2391, paragraph 1, of the Civil Code;

(ii) article 136 of the Italian Legislative Decree No. 385 of 1 September 1993, which requires the adoption of a particular authorization procedure (resolution of the administrative body taken unanimously with the exclusion of the vote of the representative concerned and with the favorable vote of all the members of the control body) in the event that a bank contracts obligations of any kind or carries out transactions, directly or indirectly, with those who carry out administration, management and control functions within the same bank;

(iii) article 150 of the Financial Law, which states that directors are required to report to the board of statutory auditors on transactions in which they have an interest, on their own or on behalf of third parties, or which are influenced by the person exercising the management and coordination activity;

(iv) article 2391 of the Civil Code, pursuant to which the directors must notify the other directors and the board of statutory auditors of any interest that, on their own behalf or on behalf of third parties, they have in a specific company transaction, it being understood that, if the member of the board of the administration concerned is the chief executive officer, the latter must refrain from carrying out the transaction. In any case, the resolution of the board of directors must adequately justify the reasons and convenience for the company of the transaction; and

(v) article 2391-bis of the Civil Code, the Regulations on Related Party Transactions and the New Prudential Supervisory Provisions.

Board of Statutory Auditors:

Name	**Title**	**In office since**
Daniela Travella	Chairperson	23/06/2021
Carlo Appetiti[2]	Acting Auditor	27/07/2022
Patrizia Tettamanzi	Acting Auditor	23/06/2021
Sonia Peron	Substitute Auditor	23/06/2021
Andrea Scianca	Substitute Auditor	21/04/2021

[2] Mr. Carlo Appetiti resigned with effectiveness 1 February 2024 (for further information see "*Recent Development*" section).

Shareholders

As at 18 December 2023 the main shareholders of BPER were as follows:

Shareholder	Shareholding (%)
Unipol Gruppo S.p.A.	19.9
Fondazione di Sardegna	10.2
Norges Bank	5.2

Rating of BPER

Moody's:

Short-Term Bank Deposit Rating: P-2;

Long-Term Bank Deposit Rating: Baa2 with "positive" outlook;

Long-Term Issuer Rating: Ba1 with "positive" outlook;

Baseline Credit Assessment ("BCA"): ba1;

Senior Unsecured Medium-Term Note Program: Ba1 with "positive" outlook;

Senior Non-Preferred Unsecured Medium-Term Note Program: Ba1 with "positive" outlook;

Subordinate Medium-Term Note Program: Ba2 with "positive" outlook.

Fitch:

Long-Term Issuer Default Rating: BBB- with "stable" outlook;

Short-Term Issuer Default Rating: F3;

Viability Rating: bbb-;

Long-Term Senior Preferred Rating: BBB-;

Long-Term Senior Non-Preferred Rating: BB+;

Subordinated Debt: BB;

Long-Term Deposit Rating: BBB;

Short-Term Deposit Rating: F3.

DBRS:

Long-Term Issuer Rating: BBB with “stable” outlook;

Short-Term Issuer Rating: R-2 (high) with “stable” outlook;

Long-Term Senior Debt: BBB with “stable” outlook;

Short-Term Debt: R-2 (high) with “stable” outlook;

Senior Non-Preferred Debt: BBB (low) with “stable” outlook;

Subordinated Debt: BB (high) with “stable” outlook;

Long-Term Deposits: BBB (high) with “stable” outlook;

Short-Term Deposits: R-1 (low) with “stable” outlook.”

Each of Moody’s France SAS (“**Moody’s**”), Fitch Ratings Ireland Limited, Sede Secondaria Italiana (“**Fitch**”) and DBRS Ratings GmbH (“**DBRS**”) is established in the European Union and registered under Regulation (EU) No. 1060/2009, as amended. Each of Moody’s, Fitch and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation.

Overview

The BPER Group operates mainly in the traditional banking sector, such as loans and deposits and providing credit to customers who are mainly represented by households and small and medium-sized businesses, through the Parent Company which operates throughout Italy whilst Banco di Sardegna operates mainly in Sardinia.

Through a network of companies, the Group offers a wide range of services to its customers in Corporate and Investment Banking, Private Banking and Wealth Management, as well as a series of financial products including leasing and factoring.

As at 30 June 2023, net interest income comes to Euro 1,545 million (Euro 1,826 million as at 31 December 2022).

Customer macro-segments

Retail

The products and services developed in 2022 and 2023 have been continuing to provide a response to the needs of the community, households and businesses.

In 2022 and 2023 BPER continued to review and strengthen the BPER Group’s commercial offer by rationalising existing proposals and marketing new products and services.

Private Banking & Wealth Management

The private banking service of the BPER Group has continued to develop in qualitative and quantitative terms, with a view to becoming the principal banking provider of global wealth advice for the most advanced customers.

Corporate

Corporate customers have been taken care of by BPER employees visiting them and making sales proposals based on their specific needs, such as for medium to long-term financial support, in certain cases linked to international projects that Italian companies have put in place to offset the decline in domestic demand.

BPER's offer of financial products consists of Corporate Finance, Acquisition Finance, Project Finance (renewables, conventional energy and infrastructure) and Shipping Finance services. BPER continues offering expert advice to Corporate customers of the Group in the fields of Merger and Acquisition, Corporate and Institutional Advisory and IPOs.

Statements made by the Issuer regarding its competitive position

At 31 December 2022, the Group's network consisted of 1,913 branches located throughout the country, as well as a branch office in the Grand Duchy of Luxembourg, with consolidated total assets of Euro 152,302,794 thousand.

As at 30 June 2023 the BPER Group's network consists of 1,759 branches throughout the country, as well as a branch office in the Grand Duchy of Luxembourg, with consolidated total assets of Euro 143,092,178 thousand.

As at 31 March 2023, on the Italian banking scene, the BPER Group consolidated total assets of Euro 151,139,202 thousand.

Geographical organisation of the BPER Group and employees

As an average number of employees by category, the BPER Group companies employed 18,443 persons as at 31 December 2022.

The following table shows, as at 30 June 2023 and 31 December 2022, a breakdown of the BPER Group's employees.

Employees	30.06.2023	31.12.2022	Changes
1. BPER Banca s.p.a.	17,953	18,302	(349)
2. BPER Bank Luxembourg s.a.	29	28	1
3. Bibanca s.p.a.	215	199	16
4. Banco di Sardegna s.p.a.	1,970	2,071	(101)
5. Banca Cesare Ponti s.p.a.	32	32	-
Total banks	**20,199**	**20,632**	**(433)**
Subsidiaries consolidated line-by-line	397	427	(30)
Total of balance sheet	**20,596**	**21,059**	**(463)**

The following table shows, as at 30 June 2023 and 31 December 2022, a breakdown of the BPER Group's branches.

Branches	30.06.2023	31.12.2022	Changes
1. BPER Banca s.p.a.	1,467	1,603	(136)
2. Banco di Sardegna s.p.a.	290	308	(18)
3. Banca Cesare Ponti s.p.a.	2	2	-
Total Italian banks	**1,759**	**1,913**	**(154)**
4. BPER Bank Luxembourg s.a.	1	1	-
Total	**1,760**	**1,914**	**(154)**

Overview Financial Consolidated Information of the BPER Group

The following tables set out certain consolidated balance sheet data of the BPER Group, as at 31 December 2022 and 31 December 2021.

(in thousands of Euro)

Income statement	**2022**	**2021**
Net Interest income	1,825,893	1,505,362
Net commission income	1,942,080	1,641,575
Other operating expense / income	328,532	25,026
Net income from financial activities	139,722	196,231
Operating costs	(2,787,766)	(2,487,515)
Profit (loss) from current operations before tax	1,499,644	692,871
Profit (Loss) for the year	1,473,880	558,649
Profit (Loss) for the year pertaining to the Parent Company	1,448,975	525,123

(in thousands of Euro)

Balance Sheet statement	**2022**	**2021**
Net Loans to customer	91,174,835	79,112,914
- of which net bad loans	*220,917*	*566,941*
Net interbank position	(5,942,085)	(1,338,948)
Financial assets	30,665,767	28,373,380
Total assets	152,302,794	136,347,873
Direct deposits	114,831,032	101,388,140
Indirect deposits	138,875,198	146,986,089
- of which managed	*60,597,120*	*64,822,748*
- of which administered	*78,278,078*	*82,163,341*

(in thousands of Euro)

Cash flows statement	**2022**	**2021**
Net cash generated/absorbed by operating activities	12,793,995	1,264,902
Net cash generated/absorbed by investment activities	(17,069)	(743,125)
Net cash generated/absorbed by funding activities	(85,502)	(64,134)
Net cash generated/absorbed in the year	12,691,424	457,643

The following table sets out certain data and ratios of BPER as at 31 December 2022 and 31 December 2021 as previously published on the relevant annual report.

These data and ratios are not recognised as measures of financial performance or liquidity under IFRS. Investors should not place any undue reliance on these Non GAAP data and ratios and should not consider these measures as (a) an alternative to operating income or net income as determined in accordance with generally accepted accounting principles, or as measures of operating performance; (b) an alternative to cash flows from operating, investing or financing activities (as determined in accordance with generally accepted accounting principles), or as a measure of BPER Group's ability to meet cash needs; or (c) an alternative to any other measures of performance under generally accepted accounting principles. These measures are not indicative of BPER Group's historical operating results, nor are they meant to be indicative of future results. These measures are used by management to monitor the underlying performance of the business and the operations. Since all companies do not calculate these measures in an identical manner, BPER Group's presentation may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Performance ratios[3]

Financial ratios	31.12.2022	2021[4]
Structural ratios		
Net loans to customers/total assets	59.86%	58.02%
Net loans to customers/direct deposits from customers	79.40%	78.03%
Financial assets/total assets	20.13%	20.81%
Gross non-performing loans/gross loans to customers	3.20%	4.91%
Net non-performing loans/net loans to customers	1.41%	2.02%
Texas ratio[5]	32.29%	45.58%
Profitability ratios		
ROE[6]	7.94%	8.66%
ROTE[7]	8.30%	9.57%
ROA[8]	0.35%	0.41%
Cost to income ratio[9]	65.47%	73.42%
Cost of credit risk[10]	0.64%	1.06%

[3] The information provided is consistent with the ESMA document of 5 October 2015 "*Guidelines on Alternative performance measures*", aimed at promoting the usefulness and transparency of Alternative Performance Measures included in prospectuses or documents containing regulated information. To construct ratios, reference was made to the balance sheet and income statement captions of the reclassified statements providing an operational management view.

[4] The comparative ratios have been calculated on figures at 31 December 2021 as per the Consolidated financial statements as at 31 December 2021.

[5] The Texas ratio is calculated as total gross non-performing loans on net tangible equity (Group and minority interests) plus impairment provisions for non-performing loans.

[6] ROE has been calculated as net profit for the year (solely recurring/current component of Euro 502.8 million) on average shareholders' equity of Group not including net profit.

[7] ROTE is calculated as the ratio between the net profit for the year (solely the recurring/current component amounting to Euro 502.8 million) and the Group's average shareholders' equity (i) including net profit for the year (solely the recurring/current component amounting to Euro 502.8 million) stripped of the portion allocated to dividends and (ii) excluding intangible assets and equity instruments.

[8] ROA has been calculated as net profit for the year including net profit pertaining to minority interests (only recurring component of Euro 527.3 million) on total assets.

[9] The Cost to income ratio is calculated on the basis of the reclassified income statement (operating costs/operating income); when calculated on the basis of the schedules provided by the 7th update of Bank of Italy Circular no. 262, the Cost to income ratio is at 73.17% (79.59% as at 31 December 2021 as per the Consolidated Financial Statements for the year ending on 31 December 2021).

[10] The Cost of credit risk has been calculated as net impairment losses to loans to customers on net loans to customers as at 31 December. As at 31 December 2022, the cost of credit rises to 0.66%, if calculated by adding the net value adjustments on loans to Russian banks.

Prudential supervisory ratios	31.12.2022	2021[11]
Own Funds (Phased in)[12](in thousands of Euro)		
Common Equity Tier 1 (CET1)	6,613,149	6,576,227
Total Own Funds	8,525,562	7,781,971
Risk-weighted assets (RWA)	53,025,476	45,340,544
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	12.47%	14.50%
Tier 1 Ratio (T1 Ratio) - Phased in	12.76%	14.84%
Total Capital Ratio (TC Ratio) - Phased in	16.08%	17.16%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	12.04%	13.50%
Leverage Ratio - Phased in[13]	4.4%	4.8%
Leverage Ratio - Fully Phased[14]	4.3%	4.5%
Liquidity Coverage Ratio (LCR).	195.3%	215.1%
Net Stable Funding Ratio (NSFR)	127.3%	142.5%

[11] The comparative ratios have been calculated on figures at 31 December 2021 as per the Consolidated financial statements as at 31 December 2021.

[12] Items have been calculated according to the provisions of Regulation (EU) 2395/2017, which amends Regulation (EU) 575/2013 (CRR) relating to "*Transitional provisions to mitigate the impact of IFRS 9 on Own Funds*". The Regulation introduced the transitional (Phase-in) regime offering banks the option to mitigate the impacts of IFRS 9 on Own Funds over a period of 5 years (from March 2018 to December 2022), by neutralising the impact on CET1 with the application of decreasing add-back factors over time. The BPER Group elected to apply the "static approach" to the impact arising from a reconciliation of impairment losses under IAS 39 as at 31 December 2017 to impairment losses under IFRS 9 as at 1 January 2018.

[13] Ratios have been calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by Commission Delegated Regulation (EU) 62/2015.

[14] See previous note.

The following table sets out certain data and ratios of BPER as at 30 June 2023 and 2022.

Performance ratios[15]

Financial ratios	30.06.2023	2022[16]
Structural ratios		
Net loans to customers/total assets	62.26%	59.86%
Net loans to customers/direct deposits from customers	78.38%	79.40%
Financial assets/total assets	21.29%	20.13%
Gross non-performing loans/gross loans to customers	2.74%	3.20%
Net non-performing loans/net loans to customers	1.14%	1.41%
Texas ratio[17]	26.04%	32.29%
Profitability ratios		
ROE[18]	19.90%	7.94%
ROTE[19]	20.03%	8.30%
ROA[20]	1.01%	0.35%
Cost to income ratio[21]	51.27%	64.26%
Cost of credit risk[22]	0.30%	0.21%
Prudential supervisory ratios	**30.06.2023**	**2022[23]**
Own Funds (Fully Phased) (in thousands of Euro)		
Common Equity Tier 1 (CET1)	7,451,222	6,379,995
Total Own Funds	9,386,687	8,292,408
Risk-weighted assets (RWA)	53,138,340	52,989,278
Fully Phased capital ratios and liquidity ratios		
Common Equity Tier 1 Ratio (CET1)	14.02%	12.04%
Tier 1 Ratio (T1 Ratio)	14.31%	12.32%
Total Capital Ratio (TC Ratio)	17.67%	15.65%
Leverage ratio[24]	5.2%	4.3%
Liquidity Coverage Ratio (LCR)	157.1%	195.3%
Net Stable Funding Ratio (NSFR)	126.1%	127.3%

[15] The information provided is consistent with the ESMA document of 5 October 2015 "*Guidelines on Alternative performance measures*", aimed at promoting the usefulness and transparency of Alternative Performance Measures included in prospectuses or documents containing regulated information. To construct ratios, reference was made to the balance sheet and income statement captions of the reclassified statements providing an operational management view.
[16] The comparative balance sheet ratios, together with ROE, ROTE and ROA, have been calculated on figures as at 31 December 2022 as per the Consolidated financial statements as at 31 December 2022, while profit and loss ratios have been calculated on figures at 30 June 2022 as per the half-year Consolidated report as at 30 June 2022.
[17] The Texas ratio is calculated as total gross non-performing loans on net tangible equity (Group and minority interests) plus impairment provisions for non-performing loans.
[18] ROE is calculated as the ratio of annualised net profit for the period to the Group's average shareholders' equity not including net profit.
[19] ROTE is calculated as the ratio of annualised net recurring profit for the period to the Group's average shareholders' equity (i) including net recurring profit for the period, stripped of the portion allocated to dividends and then annualised and (ii) excluding intangible assets and equity instruments.
[20] ROA is calculated as the ratio of annualised net profit for the period (including net profit for the period pertaining to minority interests) and total assets.
[21] The Cost to income ratio is calculated on the basis of the reclassified income statement (operating costs/operating income); and on the basis of the schedules provided by the 8th update of Bank of Italy Circular no. 262.
[22] The Cost of credit has been calculated as net impairment losses to loans to customers on net loans to customers as at 30 June 2023.
[23] The comparative balance sheet ratios, together with ROE, ROTE and ROA, have been calculated on figures as at 31 December 2022 as per the Consolidated financial statements as at 31 December 2022, while profit and loss ratios have been calculated on figures as at 30 June 2022 as per the half-year Consolidated report as at 30 June 2022.
[24] Ratios have been calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by Commission Delegated Regulation (EU) 62/2015.

Loans to customers

The following table shows, as at 31 December 2022 and 31 December 2021, a breakdown of the loans of the BPER Group (after provisions have been made).

(in thousands of Euro)

Captions	31.12.2022	31.12.2021	Change	Chg. %
Current accounts	5,482,779	4,969,075	513,704	10.34
Mortgage loans	62,952,434	53,621,023	9,331,411	17.40
Repurchase agreements	4,254	71,302	(67,048)	-94.03
Leases and factoring	5,051,671	4,090,897	960,774	23.49
Other transactions	17,683,697	16,360,617	1,323,080	8.09
Net loans to customers	**91,174,835**	**79,112,914**	**12,061,921**	**15.25**

Loans to customers, net of value adjustments, amount to Euro 91,174.8 million (Euro 79,112.9 million at 31 December 2021), an increase of Euro 12,061.9 million compared to 31 December 2021 mainly due to the acquisition of the Carige Group relating to the Purchase Price Allocation (PPA), which involved a change to the balance acquired for alignment to the relevant fair value of Euro -374.9 million. Among the various technical forms, the increase is general: on mortgage loans the increase was Euro 9,331.4 million (+17.40%), on current accounts Euro 513.7 million (+10.34%), on leases and factoring Euro 960.8 million (+23.49%) and on other transactions Euro 1,323.1 million (+8.09%). On the other hand, repurchase agreements decreased by Euro 67.0 million (-94.03%).

The increase in Net loans is attributable to the acquisition of the Carige Group, in addition to new disbursements of loans to households and businesses, which at the end of 2022 reached Euro 16.5 billion (+25.8% as compared to 2021), driven by the acceleration in commercial activity from as early as the fourth quarter of 2021.

(in thousands of Euro)

Captions	31.12.2022	31.12.2021	Change	Chg. %
Gross non-performing exposures	**2,991,445**	**4,024,358**	**(1,032,913)**	**-25.67**
Bad loans	961,093	2,013,607	(1,052,514)	-52.27
Unlikely-To-Pay loans	1,871,880	1,882,991	(11,111)	-0.59
Past due exposures	158,472	127,760	30,712	24.04
Gross performing exposures	**90,589,650**	**77,964,420**	**12,625,230**	**16.19**
Total gross exposure	**93,581,095**	**81,988,778**	**11,592,317**	**14.14**
Impairment losses on non-performing positions	**1,706,790**	**2,428,762**	**(721,972)**	**-29.73**
Bad loans	740,176	1,446,666	(706,490)	-48.84
Unlikely-To-Pay loans	916,779	948,958	(32,179)	-3.39
Past due exposures	49,835	33,138	16,697	50.39
Impairment losses on performing exposures	**699,470**	**447,102**	**252,368**	**56.45**
Total impairment losses	**2,406,260**	**2,875,864**	**(469,604)**	**-16.33**
Net non-performing exposures	**1,284,655**	**1,595,596**	**(310,941)**	**-19.49**
Bad loans	220,917	566,941	(346,024)	-61.03
Unlikely-To-Pay loans	955,101	934,033	21,068	2.26
Past due exposures	108,637	94,622	14,015	14.81
Net performing exposures	**89,890,180**	**77,517,318**	**12,372,862**	**15.96**
Total net exposure	**91,174,835**	**79,112,914**	**12,061,921**	**15.25**

At 31 December 2022, the provisions relating to non-performing loans amounted to Euro 1,706.8 million (Euro

2,428.8 million at 31 December 2021; -29.73%), for a coverage ratio of 57.06% (60.35%[25] at 31 December 2021), while the provisions for performing loans amounted to Euro 699.5 million (Euro 447.1 million at 31 December 2021; +56.45%) and give a coverage ratio of to 0.77% (0.57%[26] at 31 December 2021). The latter increase is attributable primarily to the Overlays adopted by the Group as part of the update of the ECL in respect of the level of uncertainty in the use of relevant information for the accounting estimates connected with the macroeconomic context in general, as well as the gradual and constant updating of the risk parameters (in 2022, in particular, the IFRS 9 LGD), as inputs for the ECL model.

Considering the write-offs of bad loans still outstanding, Euro 68.5 million (Euro 376.5 million as at 31 December 2021), the coverage ratio has increased to 58.02% (63.74% at 31 December 2021).

The total coverage ratio is therefore 2.57%, down from the figure at 31 December 2021 (3.51%) due to a lower non-performing share of the total portfolio of loans to customers (primarily due to the disposal of an NPL portfolio as part of the derisking actions completed in 2022). Based on the same considerations made above concerning direct write-offs, the total effective coverage of loans comes to 2.64% (3.95% at 31 December 2021).

(in thousands of Euro)

Loans to customers	**31.12.2022**		**31.12.2021**		**% Gross chg.**	**% Net chg.**	**% Coverage ratio**
	Gross	**Net**	**Gross**	**Net**			
1. BPER Banca s.p.a.	82,120,863	80,376,740	71,291,972	69,185,166	15.19	16.18	2.12
2. BPER Bank Luxembourg s.a.	212,805	207,092	223,522	218,259	-4.79	-5.12	2.68
3. Bibanca s.p.a.	3,100,919	3,053,192	1,920,337	1,896,088	61.48	61.03	1.54
4. Banco di Sardegna s.p.a.	7,317,602	7,021,175	7,731,865	7,289,036	-5.36	-3.67	4.05
5. Banca Cesare Ponti s.p.a.	43,128	42,900	-	-	n.s.	n.s.	0.53
Total banks	**92,795,317**	**90,701,099**	**81,167,696**	**78,588,549**	**14.33**	**15.41**	**2.26**
6. Sardaleasing s.p.a.	3,659,519	3,385,856	3,354,953	3,096,078	9.08	9.36	7.48
7. BPER Factor s.p.a.	1,948,903	1,922,148	1,282,005	1,256,370	52.02	52.99	1.37
8. Finitalia s.p.a.	653,101	641,477	617,309	605,102	5.80	6.01	1.78
9. BPER Real Estate s.p.a.	263	263	-	-	n.s.	n.s.	-
Other companies and consolidation adjustments	(5,476,008)	(5,476,008)	(4,433,185)	(4,433,185)	23.52	23.52	-
Balance sheet total	**93,581,095**	**91,174,835**	**81,988,778**	**79,112,914**	**14.14**	**15.25**	**2.57**

[25] The calculation as at 31 December 2021 includes loans to customers of Euro 91.0 million (of which Euro 88.7 million in performing loans and Euro 2.3 million in non-performing loans classified to item 120 "Non-current assets and disposal groups classified as held for sale" relating to the 5 branches of former Unipol Banca s.p.a., acquired on 25 November 2019 by the Parent Company and subsequently transferred to Banco di Sardegna.
[26] See previous note.

(in thousands of Euro)

Non-performing loans	31.12.2022		31.12.2021		% Gross chg.	% Net chg.	% Coverage ratio
	Gross	Net	Gross	Net			
1. BPER Banca s.p.a.	2,179,899	1,017,486	2,882,857	1,124,412	-24.38	-9.51	53.32
2. BPER Bank Luxembourg s.a.	9,540	4,402	7,669	2,770	24.40	58.92	53.86
3. Bibanca s.p.a.	58,166	28,853	41,419	23,682	40.43	21.84	50.40
4. Banco di Sardegna s.p.a.	328,032	86,098	629,788	243,655	-47.91	-64.66	73.75
5. Banca Cesare Ponti s.p.a.	567	407	-	-	n.s.	n.s.	28.22
Total banks	**2,576,204**	**1,137,246**	**3,561,733**	**1,394,519**	**-27.67**	**-18.45**	**55.86**
6. Sardaleasing s.p.a.	363,043	123,902	377,636	146,151	-3.86	-15.22	65.87
7. BPER Factor s.p.a.	42,474	20,036	73,625	50,542	-42.31	-60.36	52.83
8. Finitalia s.p.a.	9,724	3,471	11,364	4,384	-14.43	-20.83	64.30
Balance sheet total	**2,991,445**	**1,284,655**	**4,024,358**	**1,595,596**	**-25.67**	**-19.49**	**57.06**
Direct write-offs of bad loans	68,495	-	376,542	-	-81.81	n.s.	100.00
Adjusted total	**3,059,940**	**1,284,655**	**4,400,900**	**1,595,596**	**-30.47**	**-19.49**	**58.02**
Non-performing loans (balance sheet total)/Loans to customers	**3.20%**	**1.41%**	**4.91%**	**2.02%**			

Net non-performing loans amount to Euro 1,284.7 million (-19.49% compared with 31 December 2021), equal to 1.41% of total net loans to customers (2.02% as at 31 December 2021), whereas on a gross basis, the ratio between non-performing loans and loans to customers came to 3.20% (4.91% at 31 December 2021). The reduction in the gross and net incidence of the non-performing portfolio on total loans is attributable primarily to the disposal of a portfolio of NPLs as part of continued de-risking activities.

The coverage of non-performing loans of 57.06% has decreased compared with 31 December 2021 (60.35%). The reduction in the coverage of NPLs is mainly to be associated with the improvement in the quality of the portfolio of non-performing loans, which also decreased due to the NPL disposals completed in 2022.

(in thousands of Euro)

Bad loans	31.12.2022		31.12.2021		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	453,215	120,126	1,302,165	362,005	-65.20	-66.82	73.49
2. BPER Bank Luxembourg s.a.	430	-	2,104	-	-79.56	n.s.	100.00
3. Bibanca s.p.a.	15,445	2,773	10,423	2,794	48.18	-0.75	82.05
4. Banco di Sardegna s.p.a.	210,965	35,961	427,940	132,216	-50.70	-72.80	82.95
5. Banca Cesare Ponti s.p.a.	163	81	-	-	n.s.	n.s.	50.31
Total banks	**680,218**	**158,941**	**1,742,632**	**497,015**	**-60.97**	**-68.02**	**76.63**
6. Sardaleasing s.p.a.	252,746	56,907	245,542	64,845	2.93	-12.24	77.48
7. BPER Factor s.p.a.	23,632	3,834	18,863	2,961	25.28	29.48	83.78
8. Finitalia s.p.a.	4,497	1,235	6,570	2,120	-31.55	-41.75	72.54
Balance sheet total	**961,093**	**220,917**	**2,013,607**	**566,941**	**-52.27**	**-61.03**	**77.01**
Direct write-offs of bad loans	68,495	-	376,542	-	-81.81	n.s.	100.00
Adjusted total	**1,029,588**	**220,917**	**2,390,149**	**566,941**	**-56.92**	**-61.03**	**78.54**
Bad loans (Balance sheet total)/Loans to customers	**1.03%**	**0.24%**	**2.46%**	**0.72%**			

Net bad loans amount to Euro 220.9 million (-61.03% compared with 31 December 2021), accounting for 0.24% of total net loans to customers (0.72% at 31 December 2021), whereas, on a gross basis, the bad loans on total loans to customers ratio comes to 1.03% (2.46% at 31 December 2021).

The coverage of bad loans of 77.01% has increased from 71.84% as at 31 December 2021.

(in thousands of Euro)

Unlikely-To-Pay loans	31.12.2022		31.12.2021		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	1,629,038	830,228	1,503,252	704,584	8.37	17.83	49.04
2. BPER Bank Luxembourg s.a.	7,445	3,223	5,421	2,663	37.34	21.03	56.71
3. Bibanca s.p.a.	13,243	8,274	12,580	7,910	5.27	4.60	37.52
4. Banco di Sardegna s.p.a.	99,489	37,152	185,530	98,757	-46.38	-62.38	62.66
5. Banca Cesare Ponti s.p.a.	404	326	-	-	n.s.	n.s.	19.31
Total banks	**1,749,619**	**879,203**	**1,706,783**	**813,914**	**2.51**	**8.02**	**49.75**
6. Sardaleasing s.p.a.	100,363	58,951	119,481	72,422	-16.00	-18.60	41.26
7. BPER Factor s.p.a.	18,182	15,581	53,389	46,288	-65.94	-66.34	14.31
8. Finitalia s.p.a.	3,716	1,366	3,338	1,409	11.32	-3.05	63.24
Balance sheet total	**1,871,880**	**955,101**	**1,882,991**	**934,033**	**-0.59**	**2.26**	**48.98**
Unlikely to pay loans/Loans to customers	**2.00%**	**1.05%**	**2.30%**	**1.18%**			

Net unlikely-to-pay loans total Euro 955.1 million (+2.26% compared with 31 December 2021), representing 1.05% of total net loans to customers (1.18% as at 31 December 2021), while on a gross basis the ratio is 2.00% (2.30% at 31 December 2021).

The coverage of unlikely-to-pay loans has declined to 48.98%, compared with 50.40% at 31 December 2021.

(in thousands of Euro)

Past due loans	31.12.2022		31.12.2021		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	97,646	67,132	77,440	57,823	26.09	16.10	31.25
2. BPER Bank Luxembourg s.a.	1,665	1,179	144	107	--	--	29.19
3. Bibanca s.p.a.	29,478	17,806	18,416	12,978	60.07	37.20	39.60
4. Banco di Sardegna s.p.a.	17,578	12,985	16,318	12,682	7.72	2.39	26.13
Total banks	**146,367**	**99,102**	**112,318**	**83,590**	**30.31**	**18.56**	**32.29**
5. Sardaleasing s.p.a.	9,934	8,044	12,613	8,884	-21.24	-9.46	19.03
6. BPER Factor s.p.a.	660	621	1,373	1,293	-51.93	-51.97	5.91
7. Finitalia s.p.a.	1,511	870	1,456	855	3.78	1.75	42.42
Balance sheet total	**158,472**	**108,637**	**127,760**	**94,622**	**24.04**	**14.81**	**31.45**
Past due loans/Loans to customers	**0.17%**	**0.12%**	**0.16%**	**0.12%**			

The net amount of past due loans of Euro 108.6 million (+14.81% compared with 31 December 2021) represents 0.12% of total net loans to customers (unchanged compared to 31 December 2021), whereas, on a gross basis, the past due loans on total loans to customers ratio is 0.17% (0.16% at 31 December 2021).

The coverage of past due loans is 31.45%, up from 25.94% as at 31 December 2021.

The distribution of loans to non-financial corporates is analysed by ATECO category below:

(in thousands of Euro)

Breakdown of loans to non-financial corporates	31.12.2022	%
A. Agriculture, forestry and fishing	1,046,681	1.15
B. Mining and quarrying	127,603	0.14
C. Manufacturing	13,553,175	14.87
D. Provision of electricity, gas, steam and air-conditioning	914,738	1.00
E. Provision of water, sewerage, waste management and rehabilitation	822,958	0.90
F. Construction	3,400,126	3.73
G. Wholesaling and retailing, car and motorcycle repairs	7,670,788	8.41
H. Transport and storage	1,503,982	1.65
I. Hotel and restaurants	1,985,981	2.18
J. Information and communication	997,850	1.09
K. Financial and insurance activities	220,202	0.24
L. Real estate	4,402,452	4.83
M. Professional, scientific and technical activities	1,795,403	1.97
N. Rentals, travel agencies, business support services	1,916,944	2.10
O. Public administration and defence, compulsory social security	27,043	0.03
P. Education	50,913	0.06
Q. Health and welfare	637,868	0.70
R. Arts, sport and entertainment	234,279	0.26
S. Other services	602,340	0.66
Total loans to non-financial corporates	**41,911,326**	**45.97**
Individuals and other not included above	41,383,228	45.38
Financial companies	5,122,327	5.62
Insurance	89,053	0.10
Governments and other public entities	2,668,901	2.93
Total loans	**91,174,835**	**100.00**

The following table sets out the same data as at 30 June 2023 compared with 31 December 2022.

Loans to customers, net of adjustments, total Euro 89,095.0 million (Euro 91,174.8 million as at 31 December 2022) down by Euro 2,079.8 million since 31 December 2022. In terms of the various technical forms, the reduction of the balance of mortgages totalled Euro -478.0 million (-0.76%), Euro -429.4 million (-8.50%) on leasing and factoring transactions and Euro -1,919.8 million (-10.86%) on other transactions, the latter due primarily to the reduction of stage one and stage two loans of BPER attributable primarily to s.b.f. (subject to collection) advances, deposits at Cassa Depositi e Prestiti, in addition to other subsidies totalling Euro 1,545.9 million. By contrast, current accounts increased by Euro 235.7 million (+4.30%) and repurchase agreements by Euro 511.7 million.

(in thousands of Euro)

Captions	30.06.2023	31.12.2022	Changes	% Change
Gross non-performing exposures	**2,503,715**	**2,991,445**	**(487,730)**	**-16.30**
Bad loans	1,020,232	961,093	59,139	6.15
Unlikely-To-Pay loans	1,276,799	1,871,880	(595,081)	-31.79
Past due loans	206,684	158,472	48,212	30.42
Gross performing exposures	**88,801,474**	**90,589,650**	**(1,788,176)**	**-1.97**
Total gross exposure	**91,305,189**	**93,581,095**	**(2,275,906)**	**-2.43**
Impairment losses on non-performing exposures	**1,491,096**	**1,706,790**	**(215,694)**	**-12.64**
Bad loans	830,277	740,176	90,101	12.17
Unlikely-To-Pay loans	603,014	916,779	(313,765)	-34.22
Past due loans	57,805	49,835	7,970	15.99
Impairment losses on performing exposures	**719,104**	**699,470**	**19,634**	**2.81**
Total impairment losses	**2,210,200**	**2,406,260**	**(196,060)**	**-8.15**
Net non-performing exposures	**1,012,619**	**1,284,655**	**(272,036)**	**-21.18**
Bad loans	189,955	220,917	(30,962)	-14.02
Unlikely-To-Pay loans	673,785	955,101	(281,316)	-29.45
Past due loans	148,879	108,637	40,242	37.04
Net performing exposures	**88,082,370**	**89,890,180**	**(1,807,810)**	**-2.01**
Total net exposure	**89,094,989**	**91,174,835**	**(2,079,846)**	**-2.28**

At 30 June 2023, the provisions relating to non-performing loans amounted to Euro 1,491.1 million (Euro 1,706.8 million at 31 December 2022; -12.64%), for a coverage ratio of 59.56% (57.06% at 31 December 2022), while the provisions for performing loans amounted to Euro 719.1 million (Euro 699.5 million at 31 December 2022; +2.81%) and give a non-performing coverage ratio of 0.81% (0.77% at 31 December 2022).

Considering the direct write-offs made for an amount of Euro 66.5 million (Euro 68.5 million at 31 December 2022) on outstanding bad loans due to insolvency procedures, the coverage ratio would rise to 60.60% (58.02% at 31 December 2022).

The overall level of credit coverage came to 2.42%, down compared to 2.57% as at 31 December 2022 due to the transfers of NPLs (UTP in particular) completed in the first half of 2023. Based on the same considerations made above concerning direct write-offs, the total effective coverage of loans comes to 2.49% (2.64% as at 31 December 2022).

(in thousands of Euro)

Loans to customers	30.06.2023		31.12.2022		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	79,676,621	78,128,605	82,120,863	80,376,740	-2.98	-2.80	1.94
2. BPER Bank Luxembourg s.a.	285,020	278,699	212,805	207,092	33.93	34.58	2.22
3. Bibanca s.p.a.	3,315,065	3,264,497	3,100,919	3,053,192	6.91	6.92	1.53
4. Banco di Sardegna s.p.a.	7,211,717	6,927,638	7,317,602	7,021,175	-1.45	-1.33	3.94
5. Banca Cesare Ponti s.p.a.	39,200	38,811	43,128	42,900	-9.11	-9.53	0.99
Total banks	**90,527,623**	**88,638,250**	**92,795,317**	**90,701,099**	**-2.44**	**-2.27**	**2.09**
6. Sardaleasing s.p.a.	3,528,283	3,244,649	3,659,519	3,385,856	-3.59	-4.17	8.04
7. BPER Factor s.p.a.	1,647,173	1,620,266	1,948,903	1,922,148	-15.48	-15.71	1.63
8. Finitalia s.p.a.	541,756	531,470	653,101	641,477	-17.05	-17.15	1.90
9. BPER Real Estate s.p.a.	1,726	1,726	263	263	556.27	556.27	-
Other companies and consolidation adjustments	(4,941,372)	(4,941,372)	(5,476,008)	(5,476,008)	-9.76	-9.76	-
Balance sheet total	**91,305,189**	**89,094,989**	**93,581,095**	**91,174,835**	**-2.43**	**-2.28**	**2.42**

(in thousands of Euro)

Non-performing loans	30.06.2023		31.12.2022		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	1,719,835	788,831	2,179,899	1,017,486	-21.10	-22.47	54.13
2. BPER Bank Luxembourg s.a.	9,876	4,139	9,540	4,402	3.52	-5.97	58.09
3. Bibanca s.p.a.	66,261	31,166	58,166	28,853	13.92	8.02	52.96
4. Banco di Sardegna s.p.a.	315,166	75,691	328,032	86,098	-3.92	-12.09	75.98
5. Banca Cesare Ponti s.p.a.	519	391	567	407	-8.47	-3.93	24.66
Total banks	**2,111,657**	**900,218**	**2,576,204**	**1,137,246**	**-18.03**	**-20.84**	**57.37**
6. Sardaleasing s.p.a.	343,680	92,685	363,043	123,902	-5.33	-25.19	73.03
7. BPER Factor s.p.a.	39,764	16,563	42,474	20,036	-6.38	-17.33	58.35
8. Finitalia s.p.a.	8,614	3,153	9,724	3,471	-11.42	-9.16	63.40
Balance sheet total	**2,503,715**	**1,012,619**	**2,991,445**	**1,284,655**	**-16.30**	**-21.18**	**59.56**
Direct write-offs of bad loans	66,508	-	68,495	-	-2.90	n.s.	100.00
Adjusted total	**2,570,223**	**1,012,619**	**3,059,940**	**1,284,655**	**-16.00**	**-21.18**	**60.60**
Non-performing loans (balance sheet total)/Loans to customers	**2.74%**	**1.14%**	**3.20%**	**1.41%**			

Net non-performing loans amount to Euro 1,012.6 million (-21.18% on 31 December 2022), equate to 1.14% of total net loans to customers (1.41% as at 31 December 2022), whereas, on a gross basis, the ratio of non-performing loans to loans to customers equates to 2.74% (3.20% at 31 December 2022).

The coverage of non-performing loans of 59.56% has increased compared with 31 December 2022 (57.06%).

(in thousands of Euro)

Bad loans	30.06.2023		31.12.2022		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	520,243	121,128	453,215	120,126	14.79	0.83	76.72
2. BPER Bank Luxembourg s.a.	430	-	430	-	-	n.s.	100.00
3. Bibanca s.p.a.	17,397	1,861	15,445	2,773	12.64	-32.89	89.30
4. Banco di Sardegna s.p.a.	211,491	17,586	210,965	35,961	0.25	-51.10	91.68
5. Banca Cesare Ponti s.p.a.	45	31	163	81	-72.39	-61.73	31.11
Total banks	**749,606**	**140,606**	**680,218**	**158,941**	**10.20**	**-11.54**	**81.24**
6. Sardaleasing s.p.a.	242,266	44,645	252,746	56,907	-4.15	-21.55	81.57
7. BPER Factor s.p.a.	24,311	3,536	23,632	3,834	2.87	-7.77	85.46
8. Finitalia s.p.a.	4,049	1,168	4,497	1,235	-9.96	-5.43	71.15
Balance sheet total	**1,020,232**	**189,955**	**961,093**	**220,917**	**6.15**	**-14.02**	**81.38**
Direct write-offs of bad loans	66,508	-	68,495	-	-2.90	n.s.	100.00
Adjusted total	**1,086,740**	**189,955**	**1,029,588**	**220,917**	**5.55**	**-14.02**	**82.52**
Bad loans (Balance sheet total)/Loans to customers	**1.12%**	**0.21%**	**1.03%**	**0.24%**			

Net bad loans amount to Euro 190.0 million (-14.02% compared with 31 December 2022), accounting for 0.21% of total net loans to customers (0.24% at 31 December 2022), whereas, on a gross basis, the bad loans on total loans to customers ratio comes to 1.12% (1.03% at 31 December 2022).

The coverage of bad loans is 81.38%, up from 77.01% at 31 December 2022.

(in thousands of Euro)

Unlikely-To-Pay loans	30.06.2023		31.12.2022		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	1,071,577	572,158	1,629,038	830,228	-34.22	-31.08	46.61
2. BPER Bank Luxembourg s.a.	7,468	2,742	7,445	3,223	0.31	-14.92	63.28
3. Bibanca s.p.a.	14,059	8,338	13,243	8,274	6.16	0.77	40.69
4. Banco di Sardegna s.p.a.	78,688	40,560	99,489	37,152	-20.91	9.17	48.45
5. Banca Cesare Ponti s.p.a.	474	360	404	326	17.33	10.43	24.05
Total banks	**1,172,266**	**624,158**	**1,749,619**	**879,203**	**-33.00**	**-29.01**	**46.76**
6. Sardaleasing s.p.a.	90,141	39,432	100,363	58,951	-10.19	-33.11	56.26
7. BPER Factor s.p.a.	11,143	8,969	18,182	15,581	-38.71	-42.44	19.51
8. Finitalia s.p.a.	3,249	1,226	3,716	1,366	-12.57	-10.25	62.27
Balance sheet total	**1,276,799**	**673,785**	**1,871,880**	**955,101**	**-31.79**	**-29.45**	**47.23**
Unlikely to pay loans/Loans to customers	**1.40%**	**0.76%**	**2.00%**	**1.05%**			

Net unlikely-to-pay loans total Euro 673.8 million (-29.45% on 31 December 2022), representing 0.76% of total net loans to customers (1.05% at 31 December 2022), while, on a gross basis, the ratio is 1.40% (2.00% at 31 December 2022).

The coverage of unlikely-to-pay loans has slightly decreased to 47.23%, compared with 48.98% at 31 December 2022.

(in thousands of Euro)

Past due loans	30.06.2023		31.12.2022		%	%	%
	Gross	Net	Gross	Net	Gross chg.	Net chg.	Coverage ratio
1. BPER Banca s.p.a.	128,015	95,545	97,646	67,132	31.10	42.32	25.36
2. BPER Bank Luxembourg s.a.	1,978	1,397	1,665	1,179	18.80	18.49	29.37
3. Bibanca s.p.a.	34,805	20,967	29,478	17,806	18.07	17.75	39.76
4. Banco di Sardegna s.p.a.	24,987	17,545	17,578	12,985	42.15	35.12	29.78
Total banks	**189,785**	**135,454**	**146,367**	**99,102**	**29.66**	**36.68**	**28.63**
5. Sardaleasing s.p.a.	11,273	8,608	9,934	8,044	13.48	7.01	23.64
6. BPER Factor s.p.a.	4,310	4,058	660	621	553.03	553.46	5.85
7. Finitalia s.p.a.	1,316	759	1,511	870	-12.91	-12.76	42.33
Balance sheet total	**206,684**	**148,879**	**158,472**	**108,637**	**30.42**	**37.04**	**27.97**
Past due loans/Loans to customers	**0.23%**	**0.17%**	**0.17%**	**0.12%**			

The net amount of past due loans of Euro 148.9 million (+37.04% compared with 31 December 2022) represents 0.17% of total net loans to customers (0.12% at 31 December 2022), whereas on a gross basis the ratio of past due loans to total loans to customers is 0.23% (0.17% at 31 December 2022). The coverage of past due loans is 27.97% (31.45% at 31 December 2022).

The breakdown of loans to non-financial corporates is reported below by the respective ATECO codes of economic activity:

(in thousands of Euro)

Distribution of loans	30.06.2023	%
A. Agriculture, forestry and fishing	1,017,495	1.14
B. Mining and quarrying	72,143	0.08
C. Manufacturing	13,400,359	15.04
D. Provision of electricity, gas, steam and air-conditioning	779,707	0.88
E. Provision of water, sewerage, waste management and rehabilitation	744,396	0.84
F. Construction	3,160,712	3.55
G. Wholesaling and retailing, car and motorcycle repairs	7,399,124	8.30
H. Transport and storage	1,292,030	1.45
I. Hotel and restaurants	1,893,083	2.12
J. Information and communication	1,009,075	1.13
K. Financial and insurance activities	233,515	0.26
L. Real estate	4,076,589	4.58
M. Professional, scientific and technical activities	1,923,348	2.16
N. Rentals, travel agencies, business support services	1,946,741	2.19
O. Public administration and defence, compulsory social security	24,972	0.03
P. Education	49,449	0.06
Q. Health and welfare	625,545	0.70
R. Arts, sport and entertainment	212,946	0.24
S. Other services	556,791	0.62
Total loans to non-financial corporates	**40,418,020**	**45.37**
Individuals and other not included above	40,974,889	45.99
Financial companies	4,849,715	5.44
Insurance	56,674	0.06
Governments and other public entities	2,795,691	3.14
Total loans	**89,094,989**	**100.00**

Net interbank lending

The following table shows, as at 31 December 2022 and 31 December 2021, a breakdown of the net interbank position of the BPER Group.

(in thousands of Euro)

Net interbank position	31.12.2022	31.12.2021	Change	Chg. %
A. Loans to banks	**16,058,404**	**22,294,546**	**(6,236,142)**	**-27.97**
- Loans	**2,885,583**	**21,695,054**	**(18,809,471)**	**-86.70**
1. Current accounts and deposits	234,376	24,400	209,976	860.56
2. Repurchase agreements	358,702	399,378	(40,676)	-10.18
3. Compulsory reserve	1,347,747	20,310,134	(18,962,387)	-93.36
4. Other	944,758	961,142	(16,384)	-1.70
- Current accounts and demand deposits	**13,172,821**	**599,492**	**12,573,329**	**--**
1. with Central Banks	12,706,014	-	12,706,014	n.s.
2. with Banks	466,807	599,492	(132,685)	-22.13
B. Due to banks	**22,000,489**	**23,633,494**	**(1,633,005)**	**-6.91**
Total (A-B)	**(5,942,085)**	**(1,338,948)**	**(4,603,137)**	**343.79**

The net interbank position as at 31 December 2022 worsened by Euro 4,603.1 million compared to 31 December 2021. In a context of rising interest rates, as at 31 December 2022, the Group was more focused on "overnight" deposits at Central Banks for Euro 12,706.0 million, compared to the excess liquidity in the Compulsory reserve which recorded a decrease of Euro 18,962.4 million compared to 31 December 2021.

The following table sets out the same data as at 30 June 2023 compared with 31 December 2022.

(in thousands of Euro)

Net interbank position	30.06.2023	31.12.2022	Changes	% Change
A. Loans to banks	**9,575,023**	**16,058,404**	**(6,483,381)**	**-40.37**
- Loans	**1,928,446**	**2,885,583**	**(957,137)**	**-33.17**
1. Current accounts and deposits	76,053	234,376	(158,323)	-67.55
2. Repurchase agreements	299,870	358,702	(58,832)	-16.40
3. Compulsory reserve	1,149,877	1,347,747	(197,870)	-14.68
4. Other	402,646	944,758	(542,112)	-57.38
- Current accounts and demand deposits	**7,646,577**	**13,172,821**	**(5,526,244)**	**-41.95**
1. with Central Banks	7,229,088	12,706,014	(5,476,926)	-43.10
2. with Banks	417,489	466,807	(49,318)	-10.56
B. Due to banks	**12,507,921**	**22,000,489**	**(9,492,568)**	**-43.15**
Total (A-B)	**(2,932,898)**	**(5,942,085)**	**3,009,187**	**-50.64**

The net interbank position as at 30 June 2023 improved by Euro 3,009.2 million compared to 31 December 2022. As at 30 June 2023, investments decreased in "overnight" deposits at Central Banks which, as at 30 June 2023, amounted to Euro 7,229.1 million (-43.10% compared to 31 December 2022) due to lower cash and cash equivalents to be invested as a result of repayments at maturity of two tranches of TLTRO.

Refinancing transactions with the European Central Bank

The following table gives details of such operations with the ECB as at 31 December 2022.

(*in millions of Euro*)

Refinancing operations with the European Central Bank	Principal	Maturity
Targeted Long Term Refinancing Operation (TLTRO-III) – BPER Banca	800	29.03.2023
Targeted Long Term Refinancing Operation (TLTRO-III) – BPER Banca	9,700	28.06.2023
Targeted Long Term Refinancing Operation (TLTRO-III) – BPER Banca	3,710	27.09.2023
Targeted Long Term Refinancing Operation (TLTRO-III) – BPER Banca	1,670	27.03.2024
Total	**15,880**	

As at 31 December 2022, refinancing operations in place at the European Central Bank (TLTRO-III) amounted to Euro 15,880 million. On 21 December 2022, the take-up coming to maturity on 28 June 2023 was actually partially repaid, for a nominal amount of Euro 6 billion.

The following table gives details of such operations with the ECB as at 30 June 2023.

(in millions of Euro)

Refinancing operations with the European Central Bank	Principal	Maturity
Targeted Long Term Refinancing Operation (TLTRO-III) – BPER Banca	3,710	27.09.2023
Targeted Long Term Refinancing Operation (TLTRO-III) – BPER Banca	1,670	27.03.2024
Total	**5,380**	

As at 30 June 2023, the BPER Group had Euro 5,380 million worth of TLTRO III operations outstanding, as against Euro 15,880 worth of refinancing operations in place as at 31 December 2022. The decrease is due to some auctions that have expired: on 29 March 2023, the auction with value date 25 March 2020 expired, for a nominal amount of Euro 800 million, and on 28 June 2023, the auction with value date 24 June 2020 expired for a nominal amount of Euro 9,700 million.

The following table sets forth the information as at 30 June 2023.

(in millions of Euro)

Counterbalancing Capacity	Guarantee value	Encumbered portion	Unencumbered portion
Eligible securities and loans	**35,360**	**11,814**	**23,546**
- of which Securities and loans transferred to the Pooling Account	*20,511*	*5,370*	*15,141*

At 30 June 2023, the Central Treasury held significant resources relating to securities eligible for refinancing at the European Central Bank of an overall amount, net of margin calls, of Euro 35,360 million (Euro 35,926 million at 31 March 2023). The unencumbered portion amounts to Euro 23,546 million (Euro 15,480 million at 31 March 2023). Of the amount held in the Treasury, as at 30 June 2023, a total of Euro 20,511 million,

refinanced for Euro 5,370 million, therefore with Euro 15,141 million still available, is attributable to the Pooling account (as at 31 March 2023 securities eligible for refinancing totalling Euro 22,939 million were held in the Pooling Account, refinanced for Euro 15,148 million, therefore with Euro 7,791 million still available).

Funding

The following table shows, as at 31 December 2022 and 31 December 2021, a breakdown of the funding position of the BPER Group.

(in thousands of Euro)

Captions	31.12.2022	31.12.2021	Change	Chg. %
Current accounts and demand deposits	102,489,461	91,884,923	10,604,538	11.54
Time deposits	1,221,563	92,709	1,128,854	--
Repurchase agreements	-	1,360,188	(1,360,188)	-100.00
Lease liabilities	349,651	322,404	27,247	8.45
Other short-term loans	3,354,268	2,967,511	386,757	13.03
Bonds	6,307,775	4,654,811	1,652,964	35.51
- subscribed for by institutional customers	6,133,336	3,894,023	2,239,313	57.51
- subscribed for by ordinary customers	174,439	760,788	(586,349)	-77.07
Certificates	879,198	-	879,198	n.s.
Certificates of deposit	229,116	105,594	123,522	116.98
Direct deposits from customers	**114,831,032**	**101,388,140**	**13,442,892**	**13.26**
Indirect deposits (off-balance sheet figure)	**138,875,198**	**146,986,089**	**(8,110,891)**	**-5.52**
- of which under management	60,597,120	64,822,748	(4,225,628)	-6.52
- of which under administration	78,278,078	82,163,341	(3,885,263)	-4.73
Customer funds under administration	**253,706,230**	**248,374,229**	**5,332,001**	**2.15**
Deposits from banks	22,000,489	23,633,494	(1,633,005)	-6.91
Funds under administration or management	**275,706,719**	**272,007,723**	**3,698,996**	**1.36**

Direct deposits from customers of Euro 114,831.0 million have increased by 13.26% since 31 December 2021, mainly due to the business combination of the Carige Group.

Among the various technical forms, the main ones to register a significantly positive change of balance compared to 31 December 2021 were current accounts and demand deposits, for Euro 10,604.5 million (+11.54%), term deposits for Euro 1,128.9 million, bonds for Euro 1,653.0 million (+35.51%), the latter due to new issues of BPER bonds to institutional customers in 2022. As at 31 December 2022, certificates in issue totalled Euro 879.2 million, issued both by the Parent Company in 2022 and by the subsidiary acquired together with the Carige Group, Banca Cesare Ponti. As at the same date, by contrast, there were no repurchase agreements (these amounted to Euro 1,360.2 million as at 31 December 2021).

Indirect deposits, marked to market, amounted to Euro 138,875.2 million, down by Euro 8,110.9 million (-5.52%) compared to 31 December 2021, despite the contribution provided by the acquisition of the Carige Group, given the negative market trend recorded from the beginning of the period.

Total funds under administration or management by the Group, including deposits from banks (Euro 22,000.5 million) amount to Euro 275,706.7 million.

(in thousands of Euro)

Direct deposits	31.12.2022	31.12.2021	Change	Chg. %
1. BPER Banca s.p.a.	102,208,104	88,941,024	13,267,080	14.92
2. BPER Bank Luxembourg s.a.	603,465	732,379	(128,914)	-17.60
3. Bibanca s.p.a.	262,666	251,548	11,118	4.42
4. Banco di Sardegna s.p.a.	11,741,914	11,650,285	91,629	0.79
5. Banca Cesare Ponti s.p.a.	289,381	-	289,381	n.s.
Total banks	**115,105,530**	**101,575,236**	**13,530,294**	**13.32**
Other companies and consolidation adjustments	(274,498)	(187,096)	(87,402)	46.72
Total	**114,831,032**	**101,388,140**	**13,442,892**	**13.26**

Direct deposits include subordinated liabilities:

(in thousands of Euro)

Captions	31.12.2022	31.12.2021	Change	Chg. %
Non-convertible subordinated liabilities	1,646,723	926,447	720,276	77.75
Total Subordinated liabilities	**1,646,723**	**926,447**	**720,276**	**77.75**

Subordinated loans outstanding, with a book value of Euro 1,646.7 million, have increased by 77.75% compared with 31 December 2021 (when they amounted to Euro 926.4 million). The increase recorded during the year relates to new BPER issues for a nominal amount of Euro 1,012.0 million, together with the entry of new instruments resulting from the acquisition of the Carige Group for a nominal amount of Euro 217.3 million; this increase was partly offset by repayments, partial repurchases and intercompany eliminations of liabilities issued by other Group banks and subscribed by BPER for a total nominal value of Euro 521.3 million. As was the case in December 2021, there are no convertible subordinated liabilities at 31 December 2022.

(in thousands of Euro)

Indirect deposits	31.12.2022	31.12.2021	Change	Chg. %
1. BPER Banca s.p.a.	120,395,078	123,185,847	(2,790,769)	-2.27
2. BPER Bank Luxembourg s.a.	1,623,374	1,818,328	(194,954)	-10.72
3. Banco di Sardegna s.p.a.	4,444,970	4,814,270	(369,300)	-7.67
4. Banca Cesare Ponti s.p.a.	915,096	-	915,096	n.s.
Total banks	**127,378,518**	**129,818,445**	**(2,439,927)**	**-1.88**
5. Arca Fondi SGR s.p.a.	31,804,032	33,786,169	(1,982,137)	-5.87
Other companies and consolidation adjustments	(20,307,352)	(16,618,525)	(3,688,827)	22.20
Total	**138,875,198**	**146,986,089**	**(8,110,891)**	**-5.52**

Indirect deposits reported above do not include the amount arising from placement of insurance policies; the stock of customer assets invested in insurance products has increased by 25.06% since 31 December 2021, mainly due to the entry of new life insurance policies resulting from the acquisition of the Carige Group.

The following table sets out the same data as at 30 June 2023 compared with 31 December 2022.

(in thousands of Euro))

Captions	30.06.2023	31.12.2022	Changes	% Chg.
Current accounts and demand deposits	94,171,028	102,489,461	(8,318,433)	-8.12
Time deposits	3,085,373	1,221,563	1,863,810	152.58
Repurchase agreements	2,111,756	-	2,111,756	n.s.
Lease liabilities	333,482	349,651	(16,169)	-4.62
Other short-term loans	3,708,789	3,354,268	354,521	10.57
Bonds	8,409,916	6,307,775	2,102,141	33.33
- subscribed for by institutional customers	7,839,771	5,983,336	1,856,435	31.03
- subscribed for by ordinary customers	570,145	324,439	245,706	75.73
Certificates	1,425,321	879,198	546,123	62.12
Certificates of deposit	427,144	229,116	198,028	86.43
Direct deposits from customers	**113,672,809**	**114,831,032**	**(1,158,223)**	**-1.01**
Indirect deposits (off-balance sheet figure)	**142,610,110**	**138,875,198**	**3,734,912**	**2.69**
- of which under management	63,314,211	60,597,120	2,717,091	4.48
- of which under administration	79,295,899	78,278,078	1,017,821	1.30
Customer funds under administration	**256,282,919**	**253,706,230**	**2,576,689**	**1.02**
Deposits from banks	12,507,921	22,000,489	(9,492,568)	-43.15
Funds under administration and management	**268,790,840**	**275,706,719**	**(6,915,879)**	**-2.51**

Direct deposits from customers of Euro 113,672.8 million have decreased by -1.01% since 31 December 2022.

In terms of the various technical forms, the main one, which recorded a negative balance change, was that of current accounts and free deposits for Euro -8,318.4 million

(-8.12%), while term deposits recorded an increase of Euro 1,863.8 million (+152.58%), repurchase agreements rose by Euro 2,111.8 million (n.s. %) and bonds increased by Euro 2,102.1 million (+33.33%), the latter due to the new BPER bond issues for institutional customers in the first half of 2023, as well as certificates for Euro 546.1 million (+62.12%), due to new issues by the Parent Company in the first half of 2023.

Indirect customer deposits, marked to market, amounted to Euro 142,610.1 million, up by Euro 3,734.9 million (+2.69%) compared to 31 December 2022, given the positive market trend recorded in the period.

Total funds under administration or management by the Group, including deposits from banks (Euro 12,507.9 million) amount to Euro 268,790.8 million.

(in thousands of Euro)

Direct deposits	30.06.2023	31.12.2022	Changes	% Chg.
1. BPER Banca s.p.a.	101,643,682	102,208,104	(564,422)	-0.55
2. BPER Bank Luxembourg s.a.	405,379	603,465	(198,086)	-32.82
3. Bibanca s.p.a.	257,530	262,666	(5,136)	-1.96
4. Banco di Sardegna s.p.a.	11,410,748	11,741,914	(331,166)	-2.82
5. Banca Cesare Ponti s.p.a.	233,133	289,381	(56,248)	-19.44
Total banks	**113,950,472**	**115,105,530**	**(1,155,058)**	**-1.00**
Other companies and consolidation adjustments	(277,663)	(274,498)	(3,165)	1.15
Total	**113,672,809**	**114,831,032**	**(1,158,223)**	**-1.01**

Direct funding includes subordinated liabilities:

Captions	30.06.2023	31.12.2022	Changes	% Chg.
				(in thousands of Euro)
Non-convertible subordinated liabilities	1,667,530	1,646,723	20,807	1.26
Total Subordinated liabilities	**1,667,530**	**1,646,723**	**20,807**	**1.26**

The subordinated loans outstanding, with a book value of Euro 1,667.5 million, have increased by 1.26% compared with 31 December 2022. As was the case in December 2022, there are no convertible subordinated liabilities at 30 June 2023.

(in thousands of Euro)

Indirect deposits	30.06.2023	31.12.2022	Changes	% Change
1. BPER Banca s.p.a.	122,629,734	120,395,078	2,234,656	1.86
2. BPER Bank Luxembourg s.a.	1,686,707	1,623,374	63,333	3.90
3. Banco di Sardegna s.p.a.	4,991,812	4,444,970	546,842	12.30
4. Banca Cesare Ponti s.p.a.	967,106	915,096	52,010	5.68
Total banks	**130,275,359**	**127,378,518**	**2,896,841**	**2.27**
5. Arca Fondi SGR s.p.a.	33,943,024	31,804,032	2,138,992	6.73
Other companies and consolidation adjustments	(21,608,273)	(20,307,352)	(1,300,921)	6.41
Total	**142,610,110**	**138,875,198**	**3,734,912**	**2.69**

Indirect deposits reported above do not include the amount arising from placement of insurance policies; the stock of customer assets invested in insurance products has decreased by 3.50% since 31 December 2022, due to the reduction of new life insurance policies.

Own Funds and capital ratios

The harmonised rules for banks and investment companies contained in Regulation (EU) 575/2013 (CRR) and in the 2013/36/EU Directive (CRD IV) approved on 26 June 2013 and published in the Official Journal of the European Union the next day, entered into force on 1 January 2014.

These rules were later amended by Regulation (EU) 2019/876 of the European Parliament and of the Council ("**CRR2**") and Directive 2019/878/EU of the European Parliament and of the Council (CRDV) of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019. Subject to certain exceptions, the CRR2 Regulation applies from 28 June 2021.

This regulatory framework, which is the only set of rules that seeks to harmonise prudential regulations of the Member States of the European Community, was made applicable in Italy by the Bank of Italy's Circular 285, published on 17 December 2013 and subsequent updates.

The scope of consolidation for accounting purposes is the same as that used for prudential reporting purposes: companies excluded are treated in the same way as the Banks and Companies subject to significant influence and consolidated under the equity method.

On 27 October 2021, the Commission has published a proposal which transposes into the CRR (CRR3) and CRD (CRD6) the standards approved by the Basel Committee at the end of 2017, with specific reference to the treatment of the main risks (credit, market and operational) and the so called "output floor". It also contains references on the issue of climate risks and the approach that banks and supervisors will have to take. The Commission's proposal pursues three main objectives: (i) further strengthening the resilience of the European banking system, respecting the principle of proportionality and taking into account the specificities already contained in the existing rules; (ii) contributing to the "green transition"; (iii) making supervisory powers more effective, also in light of recent financial scandals recorded in some countries. The directive was expected to be implemented within 18 months from the date of publication in the EU Official Journal, while the new CRR provisions are expected to come into force on 1 January 2025.

As at 31 December 2022, the BPER Group had internal models in use for measuring the capital requirements relating to the credit risk represented by both business and retail customers. The scope of the models[27] included BPER, Banco di Sardegna and Bibanca. The update of the plan for the extension of these models (roll-out), approved by the Board of Directors of the Parent Company on 7 July 2022 and subsequently transmitted to the ECB, included Banca Carige (merged into BPER on 28 November 2022) and its subsidiaries. The other BPER Group companies and asset classes not included in the roll-out plan continued to use the Standardised Approach.

On 25 January 2022, after completion of the annual Supervisory Review and Evaluation Process for 2021, BPER received its SREP Letter from the ECB. On 31 August 2022, in light of the acquisition of Banca Carige, the European Central Bank notified BPER of its updated decision on the prudential requirements to be complied with on a consolidated basis, pursuant to article 16 of Regulation (EU) n. 1024/2013.

BPER had to maintain a minimum consolidated capital ratio in terms of Common Equity Tier 1 of 8.47%, consisting of the sum of the minimum regulatory Pillar 1 requirement of 4.5%, the additional Pillar 2 requirement of 1.47% and the Capital Conservation Buffer of 2.5%.

This requirement is also influenced by the additional Countercyclical Capital Buffer requirement specified for the BPER Group of 0.017% as at 31 December 2022, raising the overall minimum to 8.49%.

Compared with that limit, the amount of available equity (CET 1) at 31 December 2022 can be quantified at Euro 2,113 million (about 398 bps of CET1) under the Phased In transitional arrangements, while on a Fully Phased basis it is estimated at Euro 1,884 million, or about 355 bps of CET1.

With regard to the above, the amount calculated for CET1 as at 31 December 2022 includes the portion of profit for the period allocable to equity, Euro 1,279.1 million, as determined in accordance with the process envisaged in article 3 of ECB Decision (EU) 656/2015 dated 4 February 2015 and article 26, paragraph 2 of Regulation (EU) 575/2013 (CRR).

For further details on the SREP results please see the below section "*Recent Developments*".

The following table shows the BPER Group's capital ratios and the minimum capital adequacy requirements for regulatory purposes as at 31 December 2022.

[27] The ECB authorised the use of internal models on 24 June 2016.

(in thousands of Euro)

	31.12.2022 Fully Phased	31.12.2022 Phased in	31.12.2021 Fully Phased	31.12.2021 Phased in	Chg. in Phased in	Chg. %
Common Equity Tier 1 (CET1)	6,379,995	6,613,149	6,108,075	6,576,227	36,922	0.56
Additional Tier 1 capital (AT1)	150,435	150,435	150,453	150,453	(18)	-0.01
Tier 1 capital (Tier 1)	**6,530,430**	**6,763,584**	**6,258,528**	**6,726,680**	**36,904**	**0.55**
Tier 2 capital (Tier 2 - T2)	1,761,978	1,761,978	1,055,291	1,055,291	706,687	66.97
Total Own Funds	**8,292,408**	**8,525,562**	**7,313,819**	**7,781,971**	**743,591**	**9.56**
Total Risk-weighted assets (RWA)	**52,989,278**	**53,025,476**	**45,253,699**	**45,340,544**	**7,684,932**	**16.95**
CET1 Ratio (CET1/RWA)	**12.04%**	**12.47%**	**13.50%**	**14.50%**	**-203 bps**	
Tier 1 Ratio (Tier 1/RWA)	**12.32%**	**12.76%**	**13.83%**	**14.84%**	**-208 bps**	
Total Capital Ratio (Total Own Funds/RWA)	**15.65%**	**16.08%**	**16.16%**	**17.16%**	**-108 bps**	
RWA/Total assets	**34.79%**	**34.82%**	**33.19%**	**33.25%**	**+157 bps**	

The capital ratios as at 31 December 2022 were as follows:

- Common Equity Tier 1 ratio (Phased In) of 12.47%[28] (14.50% at 31 December 2021). The Fully Phased ratio is 12.04% (13.50% at 31 December 2021);
- Tier 1 ratio (Phased In) of 12.76%[29] (14.84% at 31 December 2021);
- Total Capital Ratio (Phased in) of 16.08%[30] (17.16% at 31 December 2021).

Note that the BPER Group uses different methods for calculating risk-weighted assets, which are summarised below:

- credit risk: for Group entities represented by BPER, Banco di Sardegna and Bibanca, credit risk measurement is performed using the AIRB approach. For Banks and other Companies that are not in the scope of validation and for other risk assets not included in the validated models, the standardised approach has been maintained;
- credit adjustment risk - the standardised approach is used;
- market risk - the standardised approach is used for assessing market risk (general and specific risk on equities, general risk on debt securities and positioning risk for units in investment funds) to determine the related separate and consolidated capital requirement;

[28] Reg. 2395/2017 "*Transitional provisions for mitigating the impact of the introduction of IFRS 9 on own funds*" introduced the transitional regime (a.k.a. Phased in) offers banks the option to mitigate the impacts of IFRS 9 on Own Funds over a period of 5 years (from March 2018 to December 2022), by neutralising the impact on CET1 with the application of decreasing add-back factors over time. The BPER Group elected to apply the "static approach" to the impact arising from a reconciliation of impairment losses under IAS 39 as at 31 December 2017 to impairment losses under IFRS 9 as at 1 January 2018.
[29] See the previous note on transitional provisions.
[30] See the previous note on transitional provisions.

- operational risk - operational risk measurement uses the standardised approach (TSA).

As at 30 June 2023, the BPER Group had internal models in use for measuring the capital requirements relating to the credit risk represented by both business and retail customers. The perimeter included:

- BPER, Banco di Sardegna and Bibanca (ECB authorisation of 24 June 2016);

- Banca Carige and subsidiaries (approved by the Board of Directors of the Parent Company on 7 July 2022 and subsequently transmitted to the ECB);

- former Cassa di Risparmio di Saluzzo, former UBI Banca and former Unipol Banca (ECB authorisation of 16 February 2023 and of 29 June 2023)[31].

In relation to the Internal Rating System, through the Final Decision issued as a result of its latest Internal Model Investigation in February 2023, the ECB issued its authorisation of material model changes to the internal models and the extension of the IRB models to former Cassa di Risparmio di Saluzzo and former UBI Banca exposures.

The new internal rating system has been in use since the supervisory reports of 31 March 2023 and for management purposes since May 2023.

In addition, for the Supervisory Reports as at 30 June 2023, the new IRB models were extended to former Unipol Banca exposures, with the ECB having confirmed, on said date, the fulfilment of Condition 1 set forth in the aforementioned Final Decision and authorised said extension.

The other BPER Group companies and asset classes not included in the roll-out plan will continue to use the Standardised Approach.

The prudential requirement to be complied with on a consolidated basis, pursuant to article 16 of Regulation (EU) n. 1024/2013 – as mentioned here above – is also influenced by the additional Countercyclical Capital Buffer requirement specified for the BPER Group of 0.0335% at 30 June 2023, for an overall minimum requirement to be complied with of 8.504%.

With respect to said limit, the amount of available equity (CET1) as at 30 June 2023 is quantified at Euro 2,931 million (roughly 552 bps of CET1) on a Fully Phased basis.

With regard to the above, the CET1 amount was calculated by including the portion of the profit for the period that can be allocated to equity, amounting to Euro 492.2 million, as determined in accordance with the process envisaged in article 3 of ECB Decision (EU) 656/2015 dated 4 February 2015 and article 26, paragraph. 2 of Regulation (EU) 575/2013 (CRR) for its inclusion.

The following table shows the BPER Group's capital ratios and the minimum capital adequacy requirements for regulatory purposes as at 30 June 2023.

[31] The former Cassa di Risparmio di Saluzzo and former UBI Banca exposures fall under the new system starting from the Supervisory Reports as of 31 March 2023; the former Unipol exposures fall under the Supervisory Reports of 30 June 2023.

(in thousands of Euro)

	30.06.2023 Fully Phased	31.12.2022 Fully Phased	Change	% Chg.
Common Equity Tier 1 capital - CET1	7,451,222	6,379,995	1,071,227	16.79
Additional Tier 1 capital (AT1)	150,388	150,435	(47)	-0.03
Tier 1 capital (Tier 1)	**7,601,610**	**6,530,430**	**1,071,180**	**16.40**
Tier 2 capital (Tier 2 - T2)	1,785,077	1,761,978	23,099	1.31
Total Own Funds	**9,386,687**	**8,292,408**	**1,094,279**	**13.20**
Total Risk-weighted assets (RWA)	**53,138,340**	**52,989,278**	**149,062**	**0.28**
CET1 Ratio (CET1/RWA)	**14.02%**	**12.04%**	**+198 bps**	
Tier 1 Ratio (Tier 1/RWA)	**14.31%**	**12.32%**	**+199 bps**	
Total Capital Ratio (Total Own Funds/RWA)	**17.67%**	**15.65%**	**+202 bps**	
RWA/Total assets	**37.14%**	**34.79%**	**+235 bps**	

The capital ratios are as follows:

- Common Equity Tier 1 Ratio (Fully Phased) of 14.02% (12.04% as at 31 December 2022);
- Tier 1 Ratio (Fully Phased) of 14.31% (12.32% as at 31 December 2022);
- Total Capital Ratio (Fully Phased) of 17.67% (15.65% as at 31 December 2022).

Note that the BPER Group uses different methods for calculating risk-weighted assets, which are summarised below:

- credit risk - for Group entities represented by BPER, Banco di Sardegna and Bibanca, credit risk is measured using the AIRB approach. For Banks and other Companies that are not in the scope of validation and for other risk assets not included in the validated models, the standardised approach has been maintained;
- credit adjustment risk - the standardised approach is used;
- market risk - the standardised approach is used for assessing market risk (general and specific risk on equities, general risk on debt securities and positioning risk for units in investment funds) to determine the related separate and consolidated capital requirement;
- operational risk - operational risk measurement uses the standardised approach (TSA).

Economic Performance

The table below sets out the consolidated income statement as at 31 December 2022 compared with 31 December 2021.

(in thousands of Euro)

Captions		31.12.2022	31.12.2021	Change	Chg. %
10+20	Net interest income	1,825,893	1,505,362	320,531	21.29
40+50	Net commission income	1,942,080	1,641,575	300,505	18.31
70	Dividends	22,124	20,084	2,040	10.16
80+90 +100+110	Net income from financial activities	139,722	196,231	(56,509)	-28.80
230	Other operating expense / income	328,532	25,026	303,506	--
	Operating income	**4,258,351**	**3,388,278**	**870,073**	**25.68**
190 a)	Staff costs	(1,682,286)	(1,528,240)	(154,046)	10.08
190 b)	Other administrative expenses	(877,808)	(679,158)	(198,650)	29.25
210+220	Net adjustments to property, plant and equipment and intangible assets	(227,672)	(280,117)	52,445	-18.72
	Operating costs	**(2,787,766)**	**(2,487,515)**	**(300,251)**	**12.07**
	Net operating income	**1,470,585**	**900,763**	**569,822**	**63.26**
130 a)	Net impairment losses to financial assets at amortised cost	(606,059)	(837,194)	231,135	-27.61
	- loans to customers	*(582,815)*	*(839,068)*	*256,253*	*-30.54*
	- other financial assets	*(23,244)*	*1,874*	*(25,118)*	--
130 b)	Net impairment losses to financial assets at fair value	(442)	2,115	(2,557)	-120.90
140	Gains (Losses) from contractual modifications without derecognition	(139)	(2,893)	2,754	-95.20
	Net impairment losses for credit risk	**(606,640)**	**(837,972)**	**231,332**	**-27.61**
200	Net provisions for risks and charges	(132,256)	(80,745)	(51,511)	63.79
###	Contributions to SRF, DGS, IDPF - VS	(172,423)	(133,699)	(38,724)	28.96
250+260+270 +280	Gains (Losses) on investments	(7,745)	(283,323)	275,578	-97.27
275	Gain on a bargain purchase	948,123	1,127,847	(179,724)	-15.94
290	**Profit (Loss) from current operations before tax**	**1,499,644**	**692,871**	**806,773**	**116.44**
300	Income taxes on current operations for the year	(25,764)	(134,222)	108,458	-80.80
330	**Profit (Loss) for the year**	**1,473,880**	**558,649**	**915,231**	**163.83**
340	Profit (Loss) for the year pertaining to minority interests	(24,905)	(33,526)	8,621	-25.71
350	**Profit (Loss) for the year pertaining to the Parent Company**	**1,448,975**	**525,123**	**923,852**	**175.93**

The following table sets out the same data as at 30 June 2023 compared with 30 June 2022.

(in thousands of Euro)

Captions		30.06.2023	30.06.2022	Changes	% Chg.
10+20	Net interest income	1,544,969	785,449	759,520	96.70
40+50	Net commission income	995,629	913,969	81,660	8.93
70	Dividends	25,135	15,883	9,252	58.25
80+90 +100+110	Net income from financial activities	53,948	84,396	(30,448)	-36.08
230	Other operating expense / income	32,639	(12,746)	45,385	-
	Operating income	**2,652,320**	**1,786,951**	**865,369**	**48.43**
190 a)	Staff costs	(849,174)	(711,542)	(137,632)	19.34
190 b)	Other administrative expenses	(395,747)	(342,655)	(53,092)	15.49
210+220	Net adjustments to property, plant and	(115,017)	(94,082)	(20,935)	22.25
	Operating costs	**(1,359,938)**	**(1,148,279)**	**(211,659)**	**18.43**
	Net operating income	**1,292,382**	**638,672**	**653,710**	**102.35**
130 a)	Net impairment losses to financial assets at	(269,330)	(215,617)	(53,713)	24.91
	- loans to customers	*(271,225)*	*(193,713)*	*(77,512)*	*40.01*
	- other financial assets	*1,895*	*(21,904)*	*23,799*	*-*
130 b)	Net impairment losses to financial assets at	498	(246)	744	-
140	Gains (Losses) from contractual	2,896	(1,198)	4,094	-
	Net impairment losses for credit risk	**(265,936)**	**(217,061)**	**(48,875)**	**22.52**
200	Net provisions for risks and charges	(65,386)	(41,039)	(24,347)	59.33
###	Contributions to SRF, DGS, IDPF - VS	(49,484)	(45,721)	(3,763)	8.23
250+260+ 270+280	Gains (Losses) on investments	9,331	7,014	2,317	33.03
275	Gain on a bargain purchase	-	1,188,433	(1,188,433)	-
290	**Profit (Loss) from current operations**	**920,907**	**1,530,298**	**(609,391)**	**-39.82**
300	Income taxes on current operations for the	(201,396)	(135,324)	(66,072)	48.83
330	**Profit (Loss) for the period**	**719,511**	**1,394,974**	**(675,463)**	**-48.42**
340	Profit (Loss) for the period pertaining to	(14,960)	(10,166)	(4,794)	47.16
350	**Profit (Loss) for the period pertaining to**	**704,551**	**1,384,808**	**(680,257)**	**-49.12**

Identification of risks, underlying uncertainties and the approach to manage them

The BPER Group identifies the Risk Appetite Framework (“**RAF**”) as a tool for overseeing the risk profile that the Group intends to take in the implementation of its business strategies, considering it as an essential element to ensure that the risk governance policy and process by which risks are managed comply with the principles of sound and prudent business management. The RAF provides the frame of reference that, in line with the maximum acceptable risk, defines the business model and strategic plan, risk appetite, tolerance thresholds, risk limits, risk management policies and the key processes needed to define and implement them. The key principles of the RAF are formalised and approved by the Parent Company, which periodically reviews them, ensuring that they are in line with the strategic guidelines, business model and regulatory requirements in force at the time. The RAF is a coordinated set of methodologies, processes, policies, controls and systems that make it possible to establish, communicate and monitor the Group’s risk appetite. In line with the regulatory guidelines[32], the Group adopts mechanisms aimed at allowing effective integration of the risk appetite with management activities. In particular, the Group consistently reconciles its RAF, business model, strategic plan, Capital, Funding and NPE Plan, ICAAP, ILAAP and budget.

The Group periodically monitors the overall RAF metrics, in order to control on a timely basis any overruns of the tolerance thresholds and/or risk limits assigned under the individual risk governance policies and, if appropriate, deal with the necessary communications to the Corporate Bodies and subsequent remedial actions.

[32] See Banca d’Italia Circular No 285/2013.

The BPER Group defines the propensity to risk as the values of the risk objectives (Risk Appetite) and the tolerance thresholds (Risk Tolerance) set in order to ensure, in any case, that the Group has sufficient margins to operate, including under stress conditions, within the maximum risk than can be assumed, the exposure limits (Risk Limits) and the maximum risk than can be assumed (Risk Capacity).

RAF management includes the following activities:

- identification of the risks to be evaluated that may have significant impacts on the economic, financial and equity equilibrium of the Group (the "**Group Risk Map**");
- identification of the elements through which the Group expresses its risk appetite level to achieve its strategic objectives (areas of analysis, metrics and risks for which it is considered appropriate to define qualitative guidelines to oversee their monitoring);
- definition of threshold calibration and quantification rules;
- formalisation of decisions taken in the RAF (Risk Appetite Statement) domain;
- checking the trends in the actual RAF parameters (risk profile) at Group level with respect to the established risk appetite;
- preparation and submission of periodic reports aimed at providing, on a quarterly basis, a summary overview of the evolution of the actual risk values with respect to the thresholds defined.

To ensure the implementation and in compliance with prudential supervisory regulations (Bank of Italy Circular 285 of 17 December 2013 and subsequent updates), the BPER Group periodically performs an accurate identification of the risks to which it is or could be exposed by taking account of its operations and reference markets.
This activity is the result of an integrated and ongoing recognition process carried out centrally by the Parent Company, which also envisages (if deemed necessary in relation to any developments and/or changes in the business model) the involvement of the individual legal entities included in the Group's scope of consolidation, in order to enhance their role in relation to individual and specific operational features. In this regard, the Group Risk Map is viewed as having management and risk governance purposes, making it the cornerstone of the Internal Control System.
The risk identification process involves periodic updating of the Group Risk Map, which illustrates the relative position of the Bank with respect to Pillar 1 and 2 risks[33], with a point-in-time and forward-looking perspective, in order to foresee any risks capable of impacting the operations of the Group or of its legal entities. The purpose of this update is to define the scope of significant risks/entities through the application of appropriate criteria of applicability and materiality, which make it possible to differentiate between risks that are material or immaterial for the Group.
The scope of "material risks" is made up of all Pillar 1 risks, mandatory regulatory risks and Pillar 2 risks deemeed material for the Group (credit, counterparty, market, operational, liquidity, interest rate in the banking book, strategic/business, reputation, equity investments).
They are classified into risk sub-categories, based on the specific nature of the main risk, the reference regulations and/or the specific operations of the Group, with the aim of pursuing a complete monitoring of the various types of risk, also in line with national and international regulatory developments[34].
In order to strengthen said monitoring, in the 2023 Group Risk Map, an analysis of the macroeconomic context and of the 2023-25 Supervisory Priorities identified by the Regulator was carried out, and the benchmarking analysis was updated.
The main changes introduced to the 2023 Group Risk Map refer to the extension of the materiality analysis for

[33] See Bank of Italy Circular no. 285/13, Title III - Chapter 1 - Attachment D.
[34] EBA Guidelines on SREP, ECB guidelines on ICAAP and ILAAP.

all risks, except for those that are mandatory by law, incorporated in the business model or introduced following specific requests or further methodological refinements relating to the materiality analysis. In addition, continuing with the approach introduced in previous years, ESG risk factors continued to be fine-tuned and, in particular, quantitative indicators were strengthened for the materiality analysis of credit risk deriving from climate and environmental factors, and ESG risk factors were introduced to the materiality analysis of market, reputational and strategic/business risks.
Identification of these risks also considered their inherent uncertainties, understood as possible events whose potential impact cannot be determined, and hence quantified, at present. More specifically, as a key factor in the determining the outlook for Group operations, the Italian and global macroeconomic situation is currently characterised by persisting uncertainties in relation, in particular, to the Russian-Ukrainian conflict and the inflationary scenario accompanying the European Central Bank's rate hike policy.
In line with the RAF defined by the Parent Company, for risks identified as significant, the Board of Directors of BPER sets, with a special policy, the risk objectives, the related risk exposure and operational limits and the process of risk assumption and management.

In line with the relevant regulations, the Corporate Bodies have a central role in the process of risk governance, providing for certain responsibilities with regard to the design, implementation, evaluation and external communication, as part of the development of the Group's system of internal controls.
The Parent Company's Board of Directors therefore performs the strategic supervision function at Group level, intervening in all phases envisaged by the model and, by means of strategic directives, involving the Boards of Directors of the individual Group Banks and Companies for the activities that are their responsibility, i.e.:

- it gives the CEO adequate powers and resources to implement the strategic guidelines, the RAF and risk governance policies defined by the Board of Directors of the Parent Company in the design of the internal control system and is responsible for taking all the necessary steps to ensure that the organisation and its internal control system comply with the principles and requirements laid down in regulatory provisions, monitoring compliance on an ongoing basis;
- receives, either directly or through the CEO, the information flows required to gain full awareness of the various risk factors and the ability to govern them, so as to plan and implement interventions to ensure the compliance and adequacy of the Internal Control System.

For said purpose, the Chief Executive Officer, in relation to the Group as a whole and its members, with the help of the competent structures, implements the necessary initiatives and activities to continuously guarantee the completeness, adequacy, functionality and reliability of the internal control system.
The Boards of Statutory Auditors[35] of the Parent Company and of the Group companies, each to the extent of its own responsibilities, perform their assignments as foreseen by the law and the articles of association and have the responsibility of ensuring the completeness, suitability and functionality of the internal control system and of the RAF. The results are brought to the attention of the respective Boards of Directors.
The Board of Directors of each Group Company assigns a mandate to its own corporate structures to implement, in its own corporate set-up, the decisions taken by the Parent Company.
Internal board committees and other internal committees set up by the Boards of Directors of the Parent Company and of the Group Companies are also involved in the overall Internal Control System, whose composition and functioning are defined in the relevant regulation approved by the Board of Directors itself.
The internal board committees are dedicated to the in-depth analysis of specialist topics and have inquiry, advisory and proposal-making duties in support of the Board of Directors, while the Internal Committees provide advice and support to the Management Body.

In particular, the Risks Committee, a body with consultative powers, assists the Chief Executive Officer in the

[35] Bank of Italy Circular no. 285 of 2013; first part, Title IV, Chapter 3 "*The body with control function is responsible for monitoring the completeness, adequacy, functionality and reliability of the internal control system and the RAF*".

determination and implementation of the Risk Appetite Framework, of risk governance policies and of the capital adequacy process for the Group and Group companies, as well as in the preparation of management reporting on risks and development and monitoring of the system of operating limits.

To this effect, the Committee is responsible for examining the following issues:

- risk capacity, risk appetite, risk tolerance, risk profile and risk limits under both normal and stressed conditions;
- consistency and reconciliation among the business model, the strategic plan, the RAF, ICAAP and ILAAP processes, the budget, business administration and the internal control system;
- the risk management process indicates the series of rules, procedures, methodologies and models, resources (human, technological and organisational) and control activities to identify, measure or assess, monitor, prevent or mitigate and to communicate, by means of a specific reporting process, all risks taken or that may be taken by the Group.

The Risks Committee is also responsible for the examination of methodologies, tools, reporting and internal regulations attributable to the Risk Management, Compliance, Anti-Money Laundering, Validation functions and to the Manager responsible for preparing the company's financial reports (hereinafter Manager responsible).

Decentralised at the individual Group companies there are people who act as "Contacts" for all of the second level control functions, in addition to the Manager Responsible for Preparing the Company's Financial Reports, for the following purposes:

- overseeing operations in line with the Parent Company's duties of guidance and coordination, taking into account specific local aspects and the type of business carried on by individual Group companies;
- ensuring effective operational links between the Parent Company and each Group company;
- all communication flows to corporate bodies.

With respect to reporting, the Group has prepared an organic set of periodic reports to ensure the provision of adequate information to the Corporate Bodies of the Parent Company and the Group Banks and Companies about their risk exposure. The analyses contained in these reports are discussed in the various committees and are the basis of the assessment of capital adequacy, subsequently brought to the attention of Parent Company's Board of Directors.

To ensure the achievement of strategic and operational objectives, the BPER Group defines its Internal Control System (governed by the “Group Policy - Internal Control System”)[36], in line with Bank of Italy Circular 285 of 17 December 2013 – Supervisory instructions for banks.
The “Group’s Internal control system” is the set of rules, functions, structures, resources, procedures and processes aimed at ensuring that the activities carried out by the company are compliant with the pre-defined internal standards and practices.

At Group level, this system is structured in order to allow the Parent Company to carry out the following, also as part of its management and coordination activities:

- strategic control of both the trend in the activities carried out by the Group companies and the

[36]Approved by the Board of Directors on 28 April 2022.

acquisition and disposal policies employed by the latter;

- management control aimed at ensuring the maintenance of conditions of economic, financial, equity equilibrium for both the individual group companies, and the Group as a whole;
- technical-operational control targeted at evaluating the risk profiles caused to the Group by the individual subsidiaries and the general risks of the Group.

The BPER Group's internal control system involves corporate bodies, control functions and line structures and is designed to take account of the business specifics of each Group Company and to comply with the following principles:

- proportionality in the application of rules according to size and operations;
- gradual and progressive transfer to more advanced methodologies and processes for measuring risk and the capital that is available as a result;
- unity in the definition of the approaches used by the various functions foreseen in the Group's organisational system;
- effectiveness and efficiency of risk control.

Each Group Company has a corporate Internal Control System that is consistent with the Group's strategy and policy on risks and controls, without prejudice to compliance with any applicable regulations on an individual basis: any additions that may be necessary for the adaptation of the Company's Internal Control System to specific regulatory and/or Supervisory Authority requirements, must be approved in advance by the Parent Company.

Business Continuity

During the first six months of 2023, more than 500 Business Impact Analyses (BIA) were conducted, aimed at identifying the potential risks and failure points of corporate processes. The activities aimed at the "Ordinary Management" of Business Continuity continued with a view to updating the Business Continuity Plan of the Parent Company and of the Group's Banks and Companies. With a view to continuous improvement, planned tests and Disaster Recovery tests were executed.

The elements that characterised the first half of the year concerned:

- the extension of Business Continuity to the new companies that joined the Group (Banca Cesare Ponti);
- the release of the "Everbridge" application into production as a mass notification tool for communications in the event of a crisis/emergency;
- activities for maintenance of certification ISO 22301, held by the Group through the company Numera, transferred at the end of 2022.

In the first half of 2023, there was a continued focus on operational resilience, through the publication of an updated version of the "Cosa fare se" (what to do if) manual, i.e. a support guide for network personnel outlining the conduct to observe and the communications to make in the event of a temporary shutdown or service outage (unexpected black-outs, line drop, etc.).

The contribution to the ESG domain continued, with new impetus injected into the analysis of climate risk and physical risk. In said area, software is being created which geolocates buildings and branches, associating the mapping of the main risks to each one (seismic, hydro-geological, landslide, vicinity to industrial sites).

The Business Continuity Office has coordinated multiple activities to restore compromised services. The most significant emergency situation concerned the Romagna flood in May 2023, which involved weeks of work, meetings with the Authorities, Civil Protection, the ECB and the Bank of Italy, in addition to activities to restore damaged branches. A special task force kept in contact with more than 180 branches and offices during the emergency, in an area hit by more than twenty instances of flooding. Data centres and central offices were always operational. Thanks to prevention activities, only three network units remained closed for a few days. On 5 June 2023, the restoration of the last damaged branch was completed; the other agencies have been open to the public since the end of May 2023.

Climate Change[37]

Transition to a circular, low-carbon economy and its integration and management in the regulatory and prudential supervisory framework entails both risks and opportunities for the entire economic system and for financial institutions, while the physical damage caused by climate change and environmental degradation can have a significant impact on the real economy and the financial sector.

The European Central Bank identified climate and environmental risks among the main risk factors to be proactively managed in the map of the Single Supervisory Mechanism for the banking sector, and starting in 2021, undertook activities aimed at verifying banks' positioning with respect to the provisions of the guidelines that the ECB issued on the subject (ECB Guide on climate-related and environmental risk).

Against this backdrop, the BPER Group has structured its own sustainability process through the adoption of an integrated strategy, capable of combining business growth and financial strength with social and environmental sustainability, thereby creating long-term shared value. The sustainability perspective has been fully integrated in the 2022-2025 Business Plan.

The BPER Group has organised cross-cutting working groups with the aim of identifying action lines in the climate-related and environmental area to strengthen strategy, business, risk governance and regulatory compliance. With this in mind, an activity/intervention plan was defined and approved by the Parent Company's Board of Directors and sent to the European Central Bank. In 2022, the BPER Group was involved in regulatory exercises by the ECB, first and foremost in the Thematic Review, targeted at assessing the compliance with the abovementioned ECB guidelines, which highlighted the Group's excellent positioning with respect to market peers, and subsequently in the Regulatory Stress Test on climate and environmental risk factors, based on which the opportunity was taken to further strengthen the procedures for the governance of the climate-environmental component.

With reference to the Risk Management framework, the integration of climate and environmental factors in the processes is currently being strengthened, through the identification of the channels for the transmission of climate and environmental factors to existing risk categories, the definition of the methodologies for the calculation of dedicated Key Risk Indicators, the adjustment of modelling and reporting, contributing to a pragmatic decision-making process based on sound and prudent risk management criteria.

Recent Developments

2023 EU-Wide Stress Test Results

On 28 July 2023 the BPER Group participated in the 2023 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the ECB, and the European Systemic Risk Board (ESRB).

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[37] For more information on ESG risk, please refer to the Consolidated Non-Financial Statement (2022 Sustainability Report).

The Bank noted the announcements made on 28 July 2023 by the EBA and the ECB on the EU-wide stress test and acknowledges the outcomes of the exercise.
The EU-wide stress test did not contain a pass/fail threshold and instead was designed to be used as an important source of information for the purposes of the Supervisory Review and Evaluation Process (SREP). The results will assist competent authorities in assessing BPER’s ability to meet applicable prudential requirements under stressed scenarios.
The adverse stress test scenario set by the ECB/ESRB was particularly severe and covered a three-year time horizon (2021-2023). The stress test was carried out under a static balance sheet assumption as at 31 December 2022 subject to a number of methodological constraints and without taking into consideration future business strategies and management actions. Therefore, the stress test results were not a forecast of the BPER Group’s financial performance or capital adequacy.
BPER’s capital strength was confirmed by the following results, to be compared with a CET1 ratio fully loaded of 12.04% at the starting point (31 December 2022):

- baseline scenario: 2025 fully loaded CET1 ratio at 16.00%, corresponding to 396 bps higher than the fully loaded CET1 ratio as at 31 December 2022;
- adverse scenario: 2025 fully loaded CET1 ratio at 7.89%, corresponding to 415 bps lower than the fully loaded CET1 ratio as at 31 December 2022.

These results were not comparable with the outcome of the corresponding exercise run in 2021, which BPER was excluded from due to the impact arising from the planned acquisition of the Intesa Sanpaolo Group’s carve-out.
It is noted that part of the results obtained via the derisking process occurring in the first half of 2023 could not be taken into account into the exercise as they referred to events that were not completed before 31 December 2022 (the reference date of the stress test exercise).

New Chief Financial Officer appointed at BPER

On 7 September 2023 the Board of Directors appointed Deputy General Manager, Gian Luca Santi, to serve as Chief Financial Officer.

Partnership between Intesa Sanpaolo, Homepal and BPER

On 12 September 2023 Intesa Sanpaolo S.p.A. (“**Intesa**”), Homepal S.p.A. (“**Homepal**”) and BPER have struck a strategic and commercial partnership to form a real estate company with the goal of enhancing and developing business in the sector, in which the companies have concluded approximately ten thousand real estate sale transactions since launch.
Intesa Sanpaolo Casa S.p.A. (“**Intesa Casa**”) offers real estate brokerage and advisory services through a network of agencies in major Italian cities. Homepal is a next-generation online real estate agency, which supports customers in the various stages of buying and selling real estate, through a digital platform and real estate agents operating remotely.
The transaction will take place through the contribution by Intesa of its 100% shareholding in Intesa Casa and its subsequent merger into Homepal. The new company will benefit from the experience gained in the collaboration between BPER and Homepal in offering retail customers real estate services managed mainly online, with the professionalism and service quality of a traditional agency.
The aim is to create a new player operating across the Italian market, drawing on the complementary service models of Intesa Casa and Homepal. By leveraging the Intesa and BPER networks, this new operator will meet customers' property buying and selling needs through technological services, a physical presence in major cities and the experience of its agents.
The company transition will leverage all employees and agents of Intesa Casa and Homepal, who will thus become part of the new company.

Following the transaction, Intesa will have a 49% interest in Homepal. The remainder of capital will be held 34% by Homepal's current shareholders and 17% by BPER.

Merger by absorption of Optima SIM into Banca Cesare Ponti

On 11 October 2023 a notice was given that the resolutions of the Extraordinary Shareholders' Meetings of Banca Cesare Ponti S.p.A. ("**Banca Cesare Ponti**" or the "**Acquiring Company**") and of Optima S.p.A. Società di Intermediazione Mobiliare ("**Optima SIM**"), both held on 9 October 2023, approving the merger by absorption of Optima SIM into Banca Cesare Ponti, were respectively registered with the Companies Registers of Milan and Modena. The relevant merger became effective on 13 November 2023, with Banca Cesare Ponti consequently taking over all of Optima SIM's legal relationships, assets and liabilities.
The merger is aimed at further concentrating the BPER's Group Wealth Management & Asset Management business lines within Banca Cesare Ponti S.p.A. as set out in the 2022-2025 Business Plan.

Outcome of the 2023 SREP assessment process

On 1 December 2023 BPER announced that, following completion of the annual Supervisory Review and Evaluation Process ("**SREP**"), it has received notification of the European Central Bank's new decision concerning the prudential requirements to be met on a consolidated basis under article 16 of Regulation (EU) 1024/2013.

Based on the outcome of the SREP assessment conducted in 2023 with reference date 31 December 2022 and any other relevant information received thereafter, the ECB has established that, with effect from 1 January 2024, BPER will have to maintain a minimum consolidated capital ratio in terms of Common Equity Tier 1 ratio of 8.54%, consisting of the sum of the minimum regulatory Pillar 1 requirement of 4.5%, the additional Pillar 2 requirement of 1.38%[38] and the Combined Buffer Requirement of 2.66%[39], while the minimum Total Own Funds Requirement (Total Capital) ratio shall be 13.11%.

BPER's pro-forma consolidated capital ratios[40] as at 30 September 2023 were as follows:

- Common Equity Tier 1 (CET 1) ratio 14.9%;
- Pro-forma Total Capital ratio: 18.6%.

Additional Tier 1 bond issuance

On 9 January 2024 BPER announced that, following completion of the book-building process, it had successfully placed an Additional Tier 1 perpetual bond issuance, callable from year 5, for a total principal amount of Euro 500 million (the "**Notes**").

The Notes, reserved for institutional investors, were priced at par, with a fixed coupon of 8.375% until 16 July 2029, payable semi-annually. If not called by BPER, the new fixed-rate coupon will be determined by adding a reset spread of 595 bps to the 5-year mid swap rate in euro as at the reset date and would remain fixed for the following 5 years (until the next recalculation date).

The Additional Tier 1 bond issuance was oversubscribed with orders exceeding euro 3.2 billion after books opening, which has made it possible to revise the initial yield guidance from 9.00% to 8.375% and reach the target sizing of Euro 500 million.

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[38] The additional Pillar 2 requirement communicated by the ECB to BPER shall be 2.45%, to be held in the form of 56.25% of CET1 capital and 75% of Tier 1 capital, as a minimum.
[39] The Combined Buffer Requirement is made up of the Capital Conservation Buffer (2.50%), the *O-SII* Buffer (0,125%) and the Countercyclical Capital Buffer (0.03% as at 30/9/2023).
[40] The pro-forma capital ratios were calculated by including profit for the period for the portion not allocated to dividends, thus simulating, in advance, the effects of the ECB's authorisation to include these profits in Own Funds pursuant to article 26, paragraph 2 of the CRR.

Partnership with Gardant

On 15 January 2024, further to previous communications to the market, information was given that the BPER Group and the Gardant Group (the "**Gardant Group**") finalised an agreement on the establishment of a strategic partnership for the management of non-performing loans held by BPER and Banco di Sardegna.

The partnership between the BPER Group and the Gardant Group has been achieved via the:

i) creation of a servicing platform, 70% invested in by Gardant Bridge S.p.A., a subsidiary of the Gardant Group, and 30% by BPER; and

ii) signing of two servicing agreements on the management and recovery of loans classified as both Unlikely to Pay (UTPs) and bad loans (NPLs) held by BPER and Banco di Sardegna.

The transaction will generate a capital gain of approximately Euro 150 million before tax and will be accounted for in the first quarter of 2024.

Resignation of a Standing Auditor

On 18 January 2024 BPER informed that Standing Auditor Mr. Carlo Appetiti tendered his resignation from office, with effect from 1 February 2024, due to an upcoming professional assignment, which would prevent him from continuing to serve as a Member of the Board of Statutory Auditors of the Bank.

The Board of Statutory Auditors will be restored to its full composition at the Ordinary Shareholders' Meeting of the Issuer scheduled for 19 April 2024 to approve the financial statements for 2023.

REGULATORY SECTION

ECB guidance on NPL provisioning

The ECB has published on 20 March 2017 its final guidance on non-performing loans ("**NPLs**") as amended and supplemented in March 2018 for NPLs classified as such after 1 April 2018. It outlines measures, processes and best practices which banks should incorporate when tackling NPLs. The ECB expects banks to fully adhere to the guidance in line with the severity and scale of NPLs in their portfolios. In addition, on 15 March 2018, the ECB published an addendum to the ECB guidance to banks on NPLs. The addendum supplements the qualitative guidance on NPLs dated 20 March 2017 and specifies the ECB's supervisory expectations for prudent levels of provisions for new NPLs.

The guidance calls on banks to implement realistic and ambitious strategies to work towards a holistic approach regarding the problem of NPLs. This includes areas such as governance and risk management. For instance, banks should ensure that managers are incentivised to carry out NPL reduction strategies. This should also be closely managed by their management bodies. The ECB does not stipulate quantitative targets to reduce NPLs. Instead, it asks banks to devise a strategy that could include a range of policy options such as NPL work-out, servicing, and portfolio sales.

The guidance is applicable as of its date of publication and is currently non-binding in nature. However, banks should explain and substantiate any deviations upon supervisory request. This guidance is taken into consideration in the Single Resolution Mechanism regular supervisory review and evaluation process and non-compliance may trigger supervisory measures. To this end, the new EU Regulation no. 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No. 575/2013 as regards minimum loss coverage for non-performing exposures has been recently adopted and introduces a "statutory prudential backstop" to prevent the risk of under provisioning of future NPLs. These recently introduced banking reforms as well as other laws and regulations that may be adopted in the future could adversely affect the Issuer's business, financial condition, results of operations and cash flow.

Bank Recovery and Resolution Directive

On 2 July 2014, the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force.

The BRRD is designed to provide competent authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer all assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity (the "**General Bail-in Tool**"), which equity could also be subject to any future application of the General Bail-in Tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exhausted the above resolution tools (including the bail-in tool) to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public entity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework and the BRRD.

An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

In addition to the General Bail-in Tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity Tier 1 and Tier 2 capital instruments at the point of non-viability and before (or simultaneously), any other resolution action is taken ("**Non-Viability Loss Absorption**"). Any shares issued to holders of such capital instruments upon any such statutory conversion into equity may also be subject to any application of the General Bail-in Tool, which may result in cancellation or dilution of the shareholding. For the purposes of the application of any Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution or, under certain circumstances, the group meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, under certain conditions, the group will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution or, under certain conditions, the group would no longer be viable.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government. In particular, Legislative Decrees Nos. 180/2015 and 181/2015 implementing the BRRD in Italy (the "**BRRD Implementing Decrees**") were published in the Italian Official Gazette (Gazzetta Ufficiale) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law, which implements the BRRD in Italy, while Legislative Decree No. 181/2015 amends the Legislative Decree No. 385 of 1 September 1993 and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Implementing Decrees entered into force on 16 November 2015, save for: (i) the bail-in tool, which applied from 1 January 2016; and (ii) the "depositor preference" to deposits other than those protected by the deposit guarantee scheme and those of individuals and small and medium enterprises, which applied from 1 January 2019.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD. In addition, because (i) Article 44(2) of the BRRD excludes certain liabilities from the application of the General Bail-In Tool and (ii) the BRRD provides, at Article 44(3), that the resolution authority may partially or fully exclude certain further liabilities from the application of the General Bail-In Tool, the BRRD specifically contemplates that pari passu ranking liabilities may be treated unequally. Further, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as appropriate, creditors, of greater losses as a result of the application of the relevant tool than they would have incurred in a winding up under normal insolvency proceedings.

Notwithstanding the above, it should be noted that pursuant to Article 44 (2) of the BRRD, as implemented in Italy by Article 49 of Legislative Decree No. 180 of 16 November 2015, resolution authorities shall not exercise the write down or conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments), that exceeds the value of the assets, pledge, lien or collateral against which it is secured.

Also, Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Legislative Decree No. 181 of 16 November 2015 has amended the bail-in creditor hierarchy in the case of admission of Italian banks and investment firms to resolution, by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and small and medium sized enterprises benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual and small and medium sized enterprises deposits exceeding the coverage limit of the deposit guarantee scheme. This means that, as from 1 January 2019, significant amounts of liabilities in the form of large corporate and interbank deposits which rank pari passu with any unsecured liability owed to the Bondholders under the national insolvency regime currently in force in Italy, will rank higher than such unsecured liabilities in normal insolvency proceedings. Therefore, on application of the General Bail-In Tool, such creditors will be written-down/converted into equity capital instruments only after such unsecured liabilities. The safeguard set out in Article 75 of the BRRD (referred to above) would not provide any protection since, as noted above, Article 75 of the BRRD only seeks to achieve compensation for losses incurred by creditors which are in excess of those which would have been incurred in a winding-up under normal insolvency proceedings.

On 28 December 2017, Directive (EU) 2017/2399, amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy (the "**BRRD Amending Directive**") entered into force. The BRRD Amending Directive requires Member States to create a new class of the so-called "senior non-preferred" debt instruments which would rank just below the most senior debt and other senior liabilities for the purposes of liquidation, while still being part of the senior unsecured debt category (only as a lower tier of senior debt) and that will be eligible to meet MREL and TLAC requirements. The new creditor hierarchy will not have a retroactive effect and will only apply to new issuances of bank debts. In this regard, the Italian Law No. 205/2017, approved by the Italian Parliament on 27 December 2017, contains the implementing provisions pertaining to "non-preferred" senior debt instruments.

Legislative Decree No. 181 of 16 November 2015 has also introduced strict limitations on the exercise of the statutory rights of set-off which are normally available under insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary.

The amendments introduced to the BRRD by the BRRD Amending Directive create a new category of unsecured debt in bank creditors' insolvency ranking. It establishes an EU harmonised approach on the priority ranking of bank bondholders in insolvency and in resolution. The agreement on the harmonised rules on the priority ranking of bank bondholders in insolvency and in resolution facilitates a more efficient path towards banks' compliance with the TLAC standard (for G-SIBs) that should apply from 2019 onwards, as agreed in the Financial Stability Forum. In addition, by providing greater legal certainty for both issuers and investors and reducing the risk of legal challenges, these harmonised rules will facilitate the application of the bail-in tool in resolution.

Legislative Decree No. 30 of 15 February 2016 (largely in force as of 9 March 2016) implemented in Italy the revised Deposit Guarantee Schemes Directive in Italy (the "**Decree No. 30**"). The Decree amends the Banking Act and: (i) establishes that the maximum deposit guaranteed amount is € 100,000, which has been harmonised by the Deposit Guarantee Schemes Directive and is applicable to all deposit guarantee schemes; (ii) lays down the minimum financial budget that national guarantee schemes should have; (iii) details intervention methods of the national deposit guarantee schemes; and (iv) harmonises the methods of reimbursement to depositors in case of insolvency of a credit institution.

The BRRD also requires institutions to meet, at all times, robust minimum requirements of own funds and liabilities eligible for bail-in expressed as a percentage of the total liabilities and own funds of the institution (i.e. "Minimum Requirement for Own Funds and Eligible Liabilities" – “**MREL**”). MREL represents one of the key tools to improve banks’ resolvability, allowing resolution authorities to maintain critical functions and restore a bank’s capital position after resolution. This MREL requirement should ensure that shareholders and creditors bear losses regardless of which resolution tool is applied. The resolution authority, after consulting with the relevant competent authority, will set the MREL for the relevant institution based on the assessment criteria identified by the EBA in its regulatory technical standards (RTS), pursuant to Article 45. Article 7(1) of EBA final RTS on criteria for determining MREL requires resolution authorities to ensure that MREL is sufficient to allow the write down or conversion of an amount of own funds and qualifying eligible liabilities at least equal to the sum of the loss absorption amount and the recapitalisation amount, subject to certain considerations. The resolution authority has discretion to allow BRRD institutions to meet part of their MREL obligations through "contractual bail-in instruments". The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not being part of the Banking Union) or to the Single Resolution Board (the “**SRB**”) for banks being part of the Banking Union. The EBA has issued final draft regulatory technical standards which further define the way in which resolution authorities/the SRB shall calculate MREL, as further implemented by European Commission adopted Commission Delegated Regulation (EU) 2016/1450, see below.

On 23 May 2016, the European Commission adopted Commission Delegated Regulation (EU) 2016/1450 supplementing BRRD that specifies the criteria, which further define the way in which resolution authorities/the SRB shall calculate MREL, as described in Article 45(6) of the BRRD, which entered into force on 23 September 2016. Article 8 of the aforementioned regulation provides that resolution authorities may determine an appropriate transitional period for the purposes of meeting the full MREL requirement. On 19 July 2016, the EBA launched a public consultation on its interim report on the implementation and design of the MREL. On 23 November 2016, the European Commission presented the EU Banking Reform, which introduces a number of proposed amendments to the BRRD. In particular, it was proposed that the MREL – which should be expressed as a percentage of the total risk exposure amount and of the leverage ratio exposure measure of the relevant institution – should be determined by the resolution authorities at an amount to allow banks to absorb losses expected in resolution and recapitalise the bank post-resolution. In addition, it was proposed that resolution authorities may require institutions to meet higher levels of MREL in order to cover losses in resolution that are higher than those expected under a standard resolution scenario and to ensure a sufficient market confidence in the entity post-resolution. It is currently envisaged that in the event of any shortfall of complying with the MREL requirement the competent resolution authority shall have the power to prohibit the institution from distributing more than the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (so-called “**M-MDA**”).

For banks which are not included in the list of G-SIBs, liabilities that satisfy the requirements set forth in the EU Banking Reform and do not qualify as CET1, Tier 1 or Tier 2 instruments, shall qualify as eligible liabilities for the purpose of MREL, unless they fall into any of the categories of excluded liabilities. The SRB, together with the national resolution authorities (“**NRAs**”), started to develop its MREL approach in 2016. The preliminary approach consisted of informative targets that sought to enable banks to prepare for their future MREL requirements. The SRB is further enhancing its gradual MREL multi-year policy, and in 2017 introduced binding requirements and started to address both quantity and quality of MREL with bank specific features. During 2017, the SRB developed its MREL policy, starting to develop binding targets for major banking groups. Considering the need to address the specificities of the most complex groups in more detail, the SRB split the 2018 resolution planning cycle in two waves. The first started in January 2018 to allow the banks that did not have binding targets – for instance those with no presence outside the Banking Union – to be addressed first based on an MREL policy largely following the 2017 approach and published on 20 November 2018. For the second wave of resolution plans, covering the most complex banks, an enhanced MREL policy was published on 16 January 2019.

In June 2019 the SRB published an update to its 2018 MREL policy in light of the publication of the Banking Package (CRR-II/CRD-V/BRRD-II/SRMR-II) in the Official Journal of the EU on 7 June 2019. This was followed by an overall updated MREL Policy under the Banking Package (BRRD-II/SRMR-II) published on 20 May 2020, which covers: (a) MREL requirements for Global Systemically Important institutions (G SIIs); (b) changes to the calibration of MREL, including introducing MREL based on the leverage ratio; (c) changes to the quality of MREL (subordination); (d) dedicated rules for certain business models, such as cooperatives, and for resolution strategies, such as multiple point of entry (MPE); (e) Provisions on internal MREL; (f) Clarifications on third-country issuances; and (g) how these changes will be phased in.

MREL decisions implementing the new framework were based on the MREL Policy under the Banking Package in the 2020 resolution planning cycle. The decisions were communicated to institutions in the beginning of 2021. These decisions replaced those issued under the previous legal framework. Each new decision will set out two binding MREL targets, including those for subordination: the binding intermediate target to be met by 1 January 2022 and the fully calibrated MREL (final target) to be met by 1 January 2024.

On 7 June 2019, as part of the contemplated amendments to the BRRD, Single Resolution Mechanism and Single Resolution Fund Regulation (EU) No. 806/2014, 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 (“**CRR”)**and 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 (“**CRD IV**”), the following legislative texts have been published in the EU’s Official Journal:

(i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the Capital Requirements Directive IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the "**CRD V**" and, together with BRRD II, SRM II Regulation, CRR II, the "**BRRD II reforms**");

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

(iii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (the "**BRRD II**"); and

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

The BRRD II reforms introduced, among other things, the Total Loss-absorbing Capacity Term Sheet (the "**TLAC standard**") as implemented by the Financial Stability Board, by adapting the existing BRRD regime relating to the specific MREL.

The new MREL regime is aligned with TLAC standard requirements in terms of calculation of loss absorption and recapitalisation amount. The eligible liabilities under MREL are determined according to the provisions concerning the eligible liabilities under TLAC standard. This requirement may therefore have an impact on the financial performance of the BPER Group.

Article 33a of BRRD II introduces a new pre-resolution moratorium tool as a temporary measure in an early stage and new suspension powers, which the resolution authority can use within the resolution period. Any suspension of activities can, as stated above, result in the partial or complete suspension of the performance of agreements (including any payment or delivery obligation) entered into by the respective credit institution. The exercise of any such power or any suggestion of such exercise could materially adversely affect the rights of the holders of securities issued by the BPER Group, the price or value of their investment in any such security and/or the ability of the credit institution to satisfy its obligations under any such security.

On 26 January 2021, the European Commission launched a targeted public consultation on technical aspects of a new review of BRRD ("**BRRD III**"), the SRM Regulation ("**SRM III**"), and Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("**DGSD II**"). This public consultation was open until 20 April 2021 and split into two main sections: a section covering the general objectives of the review, and a section seeking technical feedback on stakeholders' experience with the current Covid-19 crisis and framework and the need for changes in the future framework, notably regarding (i) resolution, liquidation and other available measures to handle banking crises, (ii) level of harmonisation of creditor hierarchy in the EU and impact on the 'no creditor worse off' principle, and (iii) depositor insurance. Legislative proposals for BRRD III, SRM III and DGSD II are to be tabled during the fourth quarter of 2021. The European Commission launched a general public consultation on 25 February 2021, which was open until 20 May 2021.

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

The amended Article 91 of the Banking Act provides for the following ranking:

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

b) if instruments which qualified in whole or in part as own funds items (elementi di fondi propri) cease, in their entirety, to be classified as such, they will rank senior to own fund items (elementi di fondi propri) but junior to senior non- preferred instruments. The provisions also apply to instruments issued before the 193 Decree came into effect (1 December 2021).

BPER Group's continuous implementation of these measures may have a considerable impact on its capital and on its assets and liabilities management as new regulations may restrict or limit the type or volume of transactions in which BPER Group participates. Further introduction of new regulation may require the Group to comply with new legal requirements and standards that are not predictable by the Issuer at this time, moreover, such adaptation may lead to the Issuer incurring in additional costs deriving from potential change, adaptation or renovation of the characteristics of its services and products, internal and external control structures and/or distribution mechanisms or facilities to comply with new potential regulations. The occurrence of these events may have a negative impact on the Group's business, performance and/or financial condition.

Single Resolution Mechanism

On 19 August 2014, the Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism (the "**SRM**" and "**SRM Regulation**", respectively) entered into force.

The SRM is operational as from 1 January 2016. There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB ("**Board**") with national resolution authorities, which entered into force on 1 January 2015.

The SRM Regulation, which complements the SSM, applies to all banks supervised by the SSM. It mainly consists of the Board and a Single Resolution Fund (the "**Fund**").

A centralised decision-making process has been built around the Board and involves the European Commission and the Council of the European Union – which has the possibility to object to Board decisions – as well as the ECB and the national resolution authorities.

The Fund, which backs the SRM Regulation decisions mainly taken by the Board, is divided into national compartments during an eight years transitional period, as set out by an intergovernmental agreement. In 2015 banks started to pay contributions to national resolution funds that are gradually transferred into the Fund starting from 2016 (and are additional to the contributions to the national deposit guarantee schemes).

The Fund will be gradually built up during the first eight years (2016-2023) and is intended to reach the target level of at least 1 per cent. of the amount of covered deposits of all credit institutions within the Banking Union by 31 December 2023. The Fund shall not be used to absorb the losses of an institution or to recapitalize an institution.

This framework should be able to ensure that, instead of national resolution authorities, there is a single authority –the Board –, which takes all relevant decisions for the resolution of banks being supervised by the SSM and part of the Banking Union.

There are other benefits that will derive from the Banking Union. Such benefits are aimed at (a) breaking the negative feedback loop between banks and their sovereigns; (b) providing a solution to home-host conflicts in resolution; and (c) giving a competitive advantage to the banks in the Banking Union vis-à-vis non-Banking Union ones, due to the availability of a larger resolution fund.

The manner in which the SRM will operate is still evolving, so there remains some uncertainty as to how the SRM will affect the Group.

Covered Bond Legislative Package

The above mentioned Covered Bond Directive and Covered Bond Regulation applied from 8 July 2022.

The Covered Bond Directive lays down rules on the issuance requirements, structural features, public supervision and publication obligations for covered bonds. Compared with the UCITS, the Covered Bond Directive provides for a number of more complex structural requirements, such as the dual recourse and the bankruptcy remoteness tools. The Covered Bond Directive at hand also establishes specific requirements for a liquidity reserve and introduces the possibility of joint funding and intragroup pooled covered bond structures in order to facilitate the issuance of covered bonds by small credit institutions. Moreover, the Covered Bond Directive provides the authorities of the Member States with the task of monitoring compliance of covered bond issuances with the abovementioned requirements and regulates the conditions for obtaining the authorisation to carry out the activity of issuance of covered bonds in the context of a covered bond programme. The Covered Bond Regulation introduces some amendments to Article 129 of the CRR, providing for additional requirements for covered bonds to be eligible for the relevant preferential treatment. In particular, the Covered Bond Regulation introduces a rule allowing exposures to credit institutions rated in credit quality step 2 up to a maximum of 10% of the total exposure of the nominal amount of outstanding covered bonds of the issuing institution, without the need to consult the EBA. The Covered Bond Regulation also requires a minimum level of overcollateralization in order to mitigate the most relevant risks arising in the case of the issuer's insolvency or resolution.

On 8 May 2021, the European Delegation Law 2019 has entered into force. It delegated the Italian Government to implement – *inter alia* – the Covered Bond Directive. According to the European Delegation Law 2019:

- the Bank of Italy is the competent authority for the supervision on covered bonds;
- the implementing provisions shall provide for the exercise of the option granted by Article 17 of the Covered Bond Directive, allowing for the issue of covered bonds with extendable maturity structures; and
- 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 Covered Bond Regulation (i.e. 2% or 5% depending on the assets included in the cover pool).

The Covered Bond Directive was transposed into the Italian legal framework by means of the Decree 190/2021 entering into force on 1 December 2021. In this respect, it is worth mentioning that the national legislator chose to exercise the following options provided by the Covered Bond Directive: (i) the possibility not to apply the liquidity requirement of the cover pool limited to the period covered by the liquidity requirement provided for in Delegated Regulation (EU) 2015/61; (ii) the possibility of allowing the issuance of covered bonds with extendable maturity structures; (iii) the possibility of allowing the calculation of the liquidity requirement of the cover pool in case of programmes with extendable maturity by taking as a reference the extended final maturity date for the payment of principal, as opposed to the scheduled maturity date.

Moreover, the Decree 190/2021 designates the Bank of Italy as the competent authority for the public supervision of the covered bonds. Bank of Italy issued the relevant implementing regulations on 30 March 2023 by publishing an amendment to Section 3, paragraph 3 of the BoI Regulations.

For further information, please see section headed "*Selected Aspects of Italian Law*" of this Base Prospectus.

DESCRIPTION OF THE GUARANTOR

The Guarantor has been established as a special purpose vehicle for the purpose of guaranteeing the Covered Bonds

Name and Legal Form of the Guarantor

The Guarantor was incorporated in the Republic of Italy on 18 March 2015 with the original corporate name of "SPV Covered Bond 5 S.r.l.", as a limited liability company incorporated under Law 130, with VAT number, Fiscal Code number and registration number with the Register of Enterprises of Treviso No. 04730160266. The Guarantor has a duration until 31 December 2100.

The Guarantor's Legal Entity Identifier code is 815600CB91E077EF4425 (expiring on 17 March 2024).

The Guarantor has no website.

On 13 May 2015 the Issuer requested to Bank of Italy the authorisation to purchase up to 60 per cent of the quota capital of the Guarantor and not having the Issuer received any denial on 7 September 2015 the quota capital transfer has been duly fulfilled.

By way of a quotaholders' resolution adopted on 27 July 2015, as recorded in the Chamber of Commerce of Treviso on 6 August 2015, the corporate name of the Guarantor was changed from "SPV Covered Bond 5 S.r.l." to "Estense CPT Covered Bond S.r.l.".

On 16 September 2015 the Guarantor has been included in the BPER Group.

By way of a quotaholders' resolution adopted on 13 October 2015 the by-laws of the company have been amended in order to be compliant with the BPER Group request.

By way of a quotaholders' resolution adopted on 26 October 2015 a board of directors has been appointed. Since the date of its incorporation or establishment, the Guarantor has not commenced operations other than those incidental to its incorporation and registration, the change of its corporate name, the inclusion in the BPER Group, the authorisation of the participation in the Programme and of the other documents and matters referred to or contemplated in this Base Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Guarantor has its registered office at Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy, and the telephone number of the registered office is +39 0438 360926 and the fax number is +39 0438 360 962.

The authorised, issued and paid in quota capital of the Guarantor is Euro 10,000.00.

"Estense CPT Covered Bond S.r.l." is currently the Guarantor's legal name and the Guarantor has no commercial name.

The Guarantor operates under Italian legislation.

Business overview

The exclusive purpose of the Guarantor is to purchase from banks (belonging either to the BPER Group or to other banking groups) against payment, receivables and securities also issued in the context of a securitisation, in compliance with Law 130 and the relevant implementing provisions, by means of subordinated loans granted or guaranteed also by the selling banks, as well as to issue guarantees for the covered bonds issued by such banks or other entities. Pursuant to the Guarantor by-laws, the Guarantor may act as a special purpose vehicle within covered bonds transactions in accordance with the Law 130 and, therefore, may carry out the above-mentioned activities in the context of one or more covered bond transactions or issuance programme other than this Programme.

Within the limits allowed by the provisions of Law 130, the Guarantor can carry out the ancillary transactions for purposes of the performance of the guarantee and the successful conclusion of the issue of banking covered bonds in which it participates or, however, auxiliary to the aim of its purpose, as well as the reinvestment in other financial activities of the assets deriving from the management of the credits and the securities purchased, but not immediately invested for the satisfaction of the Covered Bondholders' rights.

Since the date of its incorporation, the Guarantor has not engaged in any business other than the purchase of the Initial Receivables and the Subsequent Portfolios from the Initial Seller and the issue of the Covered Bond Guarantee securing the payment obligations of the Issuer under the Covered Bonds issued under this Programme.

The Guarantor will covenant to observe, *inter alia,* those restrictions which are detailed in the Intercreditor Agreement.

Administrative, Management and Supervisory Bodies

The Guarantor is currently managed by a board of directors. The directors of the Guarantor are:

Name	***Appointment***	***Address***	***Principal Activities***
Marco Biale	Chairperson of the board of directors	Via Vittorio Alfieri 1, 31015 Conegliano (TV)	Manager
Elena Peri	Director	Via Vittorio Alfieri 1, 31015 Conegliano (TV)	Manager
Paolo Gabriele	Managing director	Via Vittorio Alfieri 1, 31015 Conegliano (TV)	Manager

The directors' address is Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy.

The Company did not appoint a board of statutory auditors pursuant to Article 2477 of the Italian Civil Code.

Conflict of interest

Potential conflicts of interests may arise since the directors of the Guarantor Marco Biale holds simultaneously the position of Head of Structured Finance Management Office (*Responsabile Servizio Corporate Development*) of BPER Banca S.p.A. and Elena Peri holds simultaneously the position of Head of Corporate Development Service (*Responsabile Servizio Corporate Development*) of BPER Banca S.p.A.. However, in case of such conflict of interest, pursuant to article 2475-*ter* of the Italian Civil Code, the decision adopted by the board of directors with the determining vote of a director with a conflict of interest with the company, if causing an economic damage to the company, may be appealed within ninety days by the directors. In addition, in accordance with the same article of the Italian Civil Code, any contract entered into with the company by directors who have the power to represent the company with conflict of interests may be annulled at the request of the company, provided that the rights acquired in good faith by third persons on the basis of acts made in execution of the decision are preserved.

Save as noted above, no potential conflicts of interest exist between the duties of the directors and their respective private interests and/or other duties.

Quotaholders

The Guarantor is a limited liability company having its capital divided in quotas.

The quotaholders of the Guarantor (hereafter together the "**Quotaholders**") are as follows:

- BPER Banca S.p.A.: 60 per cent of the quota capital;
- SVM Securitisation Vehicles Management S.r.l.: 40 per cent of the quota capital.

The Quotaholders' Agreement

The Quotaholders' Agreement contains *inter alia*, a call option in favour of BPER to purchase from SVM Securitisation Vehicles Management S.r.l. and a put option in favour of SVM Securitisation Vehicles Management S.r.l. to sell to BPER the quota of the Guarantor held by SVM Securitisation Vehicles

Management S.r.l. and provisions in relation to the management of the Guarantor. Each option may only be exercised from the day on which all the Covered Bonds have been redeemed in full or cancelled.

In addition, the Quotaholders' Agreement provides that no Quotaholder of the Guarantor will approve the payments of any dividends or any repayment or return of capital by the Guarantor prior to the date on which all amounts of principal and interest on the Covered Bonds and any amount due to the other Secured Creditors have been paid in full.

Please also see the section headed "*Description of the Transaction Documents – The Quotaholders' Agreement*" below.

No material litigation

Since the date of the incorporation or establishment of the Guarantor, there have been no governmental, legal or arbitration proceedings, nor is the Guarantor aware of any pending or threatened proceedings of such kind, which have had or may have significant effects on the Guarantor's financial position or profitability.

Financial Information concerning the Guarantor's Assets and Liabilities, Financial Position and Profits and Losses and Report of the Auditors

The statutory audited financial statements of the Guarantor as at and for the years ended on 31 December 2021 and on 31 December 2022, respectively, prepared in accordance with International financial reporting standards, are incorporated by reference into this Base Prospectus. See the section headed "Documents incorporated by reference", above.

The financial statements of the Guarantor as at and for the years ended on 31 December 2021 and on 31 December 2022, respectively, were audited by Deloitte & Touche S.p.A., the address of which is at Via Tortona n. 25, 20144 Milan, Italy. Deloitte & Touche S.p.A. is registered in the special register (*albo speciale*) for auditing companies (*società di revisione*) provided for by article 161 of the Financial Law (repealed by article 43 of Italian legislative decree No. 39 of 27 January 2010 but still in force, pursuant to the latter decree, until the entry into force of the implementing regulations to be issued by the Ministry of Economy and Finance pursuant to such decree).

Copy of the financial statements of the Guarantor for each financial year since the Guarantor's incorporation will, when published, be available in physical form for inspection free of charge during usual office hours on any Business Day (excluding public holidays) at the registered office of the Guarantor.

Capitalisation and Indebtedness Statement

The capitalisation of the Guarantor as at the date of this Base Prospectus is as follows: Euro 10,000.

Quota capital issued and authorised

BPER has a quota of Euro 6,000 and SVM Securitisation Vehicles Management S.r.l. has a quota of Euro 4,000 each fully paid up.

Total capitalisation and indebtedness

Save for the foregoing and for the Covered Bond Guarantee and the Subordinated Loan in accordance with the BPER Subordinated Loan Agreement, at the date of this Base Prospectus, the Guarantor has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

DESCRIPTION OF THE ASSET MONITOR

Article 7-*sexiesdecies* of Law 130 and the BoI 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 Guarantee.

Pursuant to Article 7-*sexiesdecies* of Law 130 and the BoI Regulations, the asset monitor must be an independent auditor, enrolled with the Register of Certified Auditors held by the Ministry of Economy and Finance pursuant to article 6 of of Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012, as amended and supplemented, shall be independent from the Issuer, the Sellers and the Guarantor and the accounting firms who carry out the audit of the Issuer, the Sellers or the Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual report, to be addressed also to the Statutory Auditors of the Issuer.

ASSET MONITOR ENGAGEMENT LETTER

Pursuant to an engagement letter (the "**Asset Monitor Engagement Letter**") entered into on 14 June 2017, as subsequently amended and supplemented, the Issuer has appointed PricewaterhouseCoopers S.p.A., a company incorporated in Italy as a joint stock company (società per azioni) whose registered office is in Milan registered with the companies' register of Milan under number 12979880155 and enrolled under number 119644 with the register of statutory auditors (*Registro Dei Revisori Legali*) maintained by the Minister of Economy and Finance, having its registered office at Piazza Tre Torri, 2, 20145 Milan, Italy, as asset monitor (the "**Asset Monitor**") in order to perform, subject to receipt of the relevant information from the Issuer, specific agreed upon procedures concerning the compliance of the Programme with Title I-*bis* of Law 130 and the BoI Regulations including, *inter alia*, the calculations performed by BPER with respect to the Tests, Liquidity Buffer Target Amount, the Exposure Limit and the Minimum OC Requirement with a view to confirming whether such calculations are accurate.

Under the Asset Monitor Engagement Letter, the Asset Monitor shall, on an annual basis, deliver to the Issuer an annual report detailing the procedures performed under the Asset Monitor Engagement Letter.

The Asset Monitor Engagement Letter provides for certain matters such as the payment of fees and expenses to the Asset Monitor, the resignation of the Asset Monitor and the replacement by the Guarantor of the Asset Monitor.

Governing law

The Asset Monitor Engagement Letter is governed by Italian law.

ASSET MONITOR AGREEMENT

The Asset Monitor will, pursuant to an asset monitor agreement entered into in the context of the Programme between the Issuer, the Guarantor, the Asset Monitor and the Representative of the Bondholders (the "**Asset Monitor Agreement**") and subject to due receipt of the information to be provided by the Calculation Agent to the Asset Monitor, (i) prior to the service of a Notice to Pay, verify the arithmetic accuracy of the calculations performed by the Calculation Agent with respect to the Mandatory Tests, the Asset Coverage Test, the Liquidity Buffer Target Amount, the Exposure Limit and the Minimum OC Requirement, as applicable, and (ii) following the service of a Notice to Pay, verify the arithmetic accuracy of the calculations performed by the Calculation Agent with respect to the Mandatory Tests, the Amortisation Test, the Liquidity Buffer Target Amount, the Exposure Limit and the Minimum OC Requirement, as applicable, in each case pursuant to the Cover Pool Administration Agreement.

In addition, on or prior to each Asset Monitor Report Date, the Asset Monitor shall deliver to the Guarantor, the Calculation Agent, the Representative of the Bondholders and the Issuer a report in the form set out in the Asset Monitor Agreement.

The Asset Monitor Agreement provides for certain matters such as the payment of fees and expenses to the Asset Monitor, the limited recourse nature of the payment obligation of the Guarantor *vis-à-vis* the Asset Monitor, the resignation of the Asset Monitor and the replacement by the Guarantor of the Asset Monitor.

Governing law

The Asset Monitor Agreement is governed by Italian law.

DESCRIPTION OF THE COVER POOL – CREDIT AND COLLECTION POLICIES

THE COVER POOL

The Cover Pool is and/or will be comprised of (i) the Receivables arising under Mortgage Loans transferred pursuant to the BPER Master Transfer Agreement or each Additional Transfer Agreement; (ii) any Integration Assets and (iii) any Liquid Assets.

As at the date of this Base Prospectus, the Cover Pool consists of the Initial Receivables and the Subsequent Portfolios transferred by the Initial Seller to the Guarantor in accordance with the terms of the BPER Master Transfer Agreement, as more fully described under the section headed "*Description of the Transaction Documents – BPER Master Transfer Agreement*" below.

As at the date of this Base Prospectus, the Mortgage Loans from which the Eligible Assets arise mature between 31 December 2019 (inclusive) and 30 April 2052 (inclusive).

The composition of the Cover Pool will be dynamic over the life of the Programme. In particular, assets comprised in the Cover Pool will change over time as a result, *inter alia*, of the purchase of any Subsequent Portfolio and the repurchase of any Portfolio in each case in accordance with the terms of the relevant Master Transfer Agreements.

The General Criteria

Each of the Receivables arising under Mortgage Loans comprised in the Cover Pool shall comply, as at the relevant Valuation Date (unless otherwise provided), with all of the following General Criteria:

1. loans whose principal debtors (possibly even as a result of subrogation, assignment or taking over of debts (*accollo liberatorio*)) are: (i) one or more persons (including professionals or entrepreneurs) resident in Italy with regard to residential and commercial mortgage loans; (ii) legal persons, having registered office in Italy, or individuals, resident in Italy, who have entered into the relevant contract for financing in the exercise of their business activity (including professional partnerships and entrepreneurs) for commercial mortgage loans;

2. mortgage loans for which there is no obligation or ability to make additional payments;

3. mortgage loans denominated in euro (or paid in *lira* and subsequently redenominated in euro) and whose loan agreements do not contain provisions that permit the conversion into another currency;

4. mortgage loans whose principal repayment is done in one or several instalments according to one of the following amortization methods, as detectable on the signing date of the loan or, if existent, the last agreement on the system of amortization:

   (i) the so-called "French" amortization method (*piano di ammortamento alla francese*), by which is meant the amortization method under which the rate is inclusive of a component of fixed capital at time of the grant and increasing over time and a variable interest component;

   (ii) the so-called "Italian" amortization method (*piano di ammortamento all'italiana*), by which is meant the amortization method under which the rates are inclusive of a component of constant capital over time and a variable component of interest;

   (iii) amortization method which provides a constant rate and for the duration to be extended up to a maximum date;

   (iv) amortization method which provides a single instalment of capital repayment at the end of the loan (the so-called "bullet");

5. mortgage loans secured by mortgages on real estate located on the territory of the Italian Republic;

6. mortgage loans that have been granted under loan agreements governed by Italian law (as specified in the relevant loan agreement);

7. mortgage loans secured by (i) a first legal ranking mortgage (*ipoteca volontaria di primo grado legale*), or (ii) a second legal ranking mortgage in respect to which the obligations secured by the higher legal ranking mortgages have been fully satisfied;

8. mortgage loans in relation to which the ratio of (i) the amount of the loan disbursed on the date of signing of the loan and (ii) the estimated value of the mortgaged property, determined close to the conclusion of such mortgage is equal to or less than 100%. For the purposes of the criteria referred to at the present paragraph 8, "*valore di stima dell'immobile ipotecato, determinato in prossimità della stipulazione del medesimo mutuo*" means the estimated value determined on the basis of technical and economic parameters used from time to time by the lending bank in the process of the monitoring of the property value as per criteria under paragraph 5 above. In order to assess the compliance of the loan with the policy referred to at in this paragraph 8, each borrower may, where not already in possession of this information, know the value of the revalued mortgaged property by contacting the relevant branch where the instalment payments of such loan are domiciled;

9. mortgage loans in respect of which the payment of instalments is made by automatic debit on a current account with a bank belonging to Gruppo Bancario BPER Banca S.p.A. (including payment by SDD);

In any event, are excluded from the sale all receivables arising from loans which, on the Valuation Date, while presenting the above characteristics, also present, on the Valuation Date (unless otherwise provided) one or more of the following characteristics:

10. mortgage loans that either derive from "*esposizioni oggetto di concessioni*" or classified as *"sofferenze*", "*inadempienze probabili*" and "*esposizioni scadute e/o sconfinanti deteriorate*" (as defined in the Circular of the Bank of Italy n. 272 of 30 July 2008, supplemented by the update no. 7 of 20 January 2015, and as amended from time to time – *Matrice dei Conti*);

11. mortgage loans that have been granted, in the case of commercial mortgage loans, even as co-holders of such loan, to individuals whom, on to the Valuation Date, were employees or bank representatives (under Article 136 of the Banking Act) of BPER;

12. mortgage loans in relation to which the relevant borrower has adhered, in the case of residential mortgage loans, on the Valuation Date, by sending the accession letter by mail or has presented the accession letter at any branch of BPER, at the proposed renegotiation made under the Italian Law Decree no. 93 of 27 May 2008 converted with Italian Law no. 126 of 24 July 2008 and the agreement signed between the *Ministero dell'Economia e delle Finanze* and the *Associazione Bancaria Italiana*;

13. residential mortgage loans secured by mortgages on properties that fell into one of the following Land Registry categories: A / 9, A / 10;

14. commercial mortgage loans secured by mortgages on properties that fell into one of the following Land Registry categories: B / 1, B / 2, B / 3, B / 4, B / 5, B / 6 B / 7, D / 9 , E / 1, E / 2, E / 3 E / 4, E / 5, E / 6, E / 7, E / 8, E / 9, C / 4 and C / 5;

15. mortgage loans that have been concluded under any law (including regional and / or provincial) or legislation providing for contributions or benefits in terms of principal and / or interest (the so-called *mutui agevolati e convenzionanti*) or that have been entered into under any law or regulation which provides financial incentives (*mutui agevolati*), public grants of any kind granted to debtors, mortgagors or any guarantor with respect to the principal and/or interest and are not funded with funds from third parties; or

are mortgages that have been concluded in accordance with Articles 43, 44 and 45 of the Banking Act (cd. "*credito agrario e peschereccio*");

16. mortgage loans in relation to which the ratio of (i) the outstanding debt of the principal amount of the loan and (ii) the revalued value of the mortgaged property on the Valuation Date, is higher than 80% for residential mortgages loans or 60% for commercial mortgages loans. For the purposes of the criteria referred to in this paragraph 16, "*valore rivalutato di stima dell'immobile ipotecato*" means the estimated value determined on the basis of technical and economic parameters used from time to time by the lending bank in the process of the monitoring of the property value as per criteria under paragraph 5 above. In order to assess the compliance of the loan with the policy referred to in this paragraph 16, each borrower may, where not already in possession of this information, know the value of the revalued mortgaged property by contacting the relevant branch where the instalment payments of such loan are domiciled;

17. mortgage loans that have been granted to public bodies, to public enterprises or other comparable companies, banks or financial institutions;

18. mortgage loans that have been granted to religious institutions, institutions of public assistance, fundraising organization, charities or other non-profit organization;

19. mortgage loans whose principal repayment is made according to the amortization method known as "Mix", and meaning the method which provides for a proportion of amortization at fixed rate and another portion at variable rate;

20. mortgage loans whose relative property is still "under construction";

21. mortgage loans that have a declared purpose of debt consolidation by the debtor;

22. mortgage loans that at the date of the grant were secured by collateral represented by pledge on the securities;

23. commercial mortgage loans granted by a pool of banks;

24. commercial mortgage loans that have been granted as guarantee arising from the transfer of receivables to the *Gestore dei Servizi Energetici* (*GSE*) S.p.A., or mortgage loans granted to finance the purchase and installation of photovoltaic systems;

25. mortgage loans used by BPER as guarantees for the refinancing transactions according to the legislative and regulatory framework of the Eurosystem.

THE COLLECTION POLICIES

Introduction

BPER monitors its existing loans on a constant basis. Generally, borrowers pay instalments by direct debit from their respective account held with BPER, authorised at the time of execution of the relevant mortgage loan agreement. On a regular basis, a solicitation is made to borrowers with any overdue and unpaid instalment.

Definitions

Any further details of BPER exposures classification according to the current regulation are described above in the section entitled “Description of the Issuer and Initial Seller”.

Management and control of the loans

The monitoring activity is performed at a central level in order to have all the necessary controls on loans which show some criticalities. The monitoring activity is aimed at identifying first signs of credit risk deterioration and providing assistance to local branches and directly managing the relevant claims.

All the relevant management is duly informed in relation to the status of the claims and initiatives are promoted toward requiring claims such as:

- change of status of loans;
- provision adjustment on the non performing exposures;
- proposal of qualification of a loan as *sofferenza* (non-performing loan).

Generally, the following represents the main causes leading a mortgage loan to be classified as *sofferenza*:

- the borrower is in serious and long-term economic and financial difficulty, so that BPER would start the legal recovery procedures;
- there is a loss forecast on the claim;
- the borrower is insolvent as ascertained by a court.

Once the decision to qualify a claim as *sofferenza* has been taken, the definitive legal recovery process begins.

CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unconditional obligations of the Issuer guaranteed by the Guarantor pursuant to the Covered Bond Guarantee. The Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the service by the Representative of the Covered Bondholders on the Issuer and the Guarantor of a Notice to Pay. The Issuer will not be relying on payments by the Guarantor in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders:

(a) the Covered Bond Guarantee provides credit support to the Issuer;

(b) the Mandatory Tests are intended to ensure that the Cover Pool is at all times sufficient to pay any interest and principal under the Covered Bonds;

(c) the Asset Coverage Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds prior to the service of a Notice to Pay, applying for the purpose of such coverage an Asset Percentage factor determined in order to provide a degree of over-collateralisation with respect to the Cover Pool;

(d) the verification of the Liquidity Buffer Target Amount is intended to ensure at all times that the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days;

(e) the verification of the Exposure Limit is intended to ensure that the Exposure Limit is correctly calculated within the performance of the Tests;

(f) the Amortisation Test is periodically performed, following the service of a Notice to Pay, for the purpose of testing the asset coverage of the Guarantor's assets in respect of the Covered Bonds;

(g) the verification of the Minimum OC Requirement is periodically performed, both prior and following the occurrence of an Issuer Event of Default, for the purpose of verifying that the Minimum OC Requirement is met on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Minimum OC Requirement is to be met out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be;

(h) the Swap Agreements are intended to hedge certain interest rate, basis, currency or other risks in respect of amounts received and amounts payable by the Guarantor; and

(i) a Cash Reserve Account will be established which will build up over time using excess cash flow from Interest 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.

Certain of these factors are considered more fully in the remainder of this section.

Covered Bond Guarantee

The Covered Bond Guarantee provided by the Guarantor guarantees payment of Guaranteed Amounts on the Scheduled Due for Payment Date or Due for Payment Date, as the case may be, in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any other amount becoming payable in respect of the Covered Bonds for any other reason.

For further details, see the section headed "*Description of the Transaction Documents – Covered Bond Guarantee*" below, as regards the terms of the Covered Bond Guarantee.

Tests

Under the terms of the Cover Pool Administration Agreement, the Issuer (and, failing the Issuer to do so, the Additional Sellers, if any) must ensure that the Cover Pool complies with the Tests described below.

Mandatory Tests

For so long as the Covered Bonds remain outstanding, the Issuer (also in its capacity as Initial Seller) and the Additional Sellers (if any) shall procure on an ongoing basis (and, without prejudice of the OBG Regulations, such obligation shall be deemed to be complied with if the tests are satisfied on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant tests are to be carried out pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be) and until the Programme Termination Date that each of the following tests is met:

(a) the outstanding aggregate principal balance of the Eligible Cover Pool (provided that any Mortgage Loan in respect of which the loan to value ratio exceed the percentage limit set forth under Article 129, paragraph 1, lett. (d) and (f) of the CRR will be considered up to an amount of principal which, taking into account the Latest Valuation relating to that Mortgage Loan, allows compliance with such percentage limit) from time to time owned by the Guarantor plus the aggregate amounts standing to the credit of the Accounts (in relation to the principal component only) up to the end of the immediately preceding Calculation Period which have not been applied in accordance with the relevant Priority of Payments shall be at least equal to, or higher than, the aggregate principal notional amount of all Series of Covered Bonds at the same time outstanding, provided that the Minimum OC Requirement shall at all time be met (the "**Nominal Value Test**");

(b) the Net Present Value of the Eligible Cover Pool shall be at least equal to, or higher than, the Net Present Value of the Outstanding Covered Bonds (the "**NPV Test**"); and

(c) the Net Interest Collections from the Eligible Cover Pool shall be at least equal to, or higher than, the interest payments scheduled to be due in respect of all the outstanding Series of Covered Bonds (the "**Interest Coverage Test**"),

(the tests above are jointly defined as the "**Mandatory Tests**").

"**Net Interest Collections from the Eligible Cover Pool**" means, on each Calculation Date and/or Monthly Calculation Date and/or any other date on which the relevant Test is to be performed pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, an amount equal to the positive difference between:

(i) the sum of

(A) interest payments received, or expected to be received, by the Guarantor under or in respect of the Eligible Cover Pool (provided that the interest payments expected to be received in respect of any Mortgage Loan for which the loan to value ratio exceed the percentage limit set forth under Article 129, paragraph 1, lett. (d) and (f) of the CRR, will be considered up to an amount that, takes into account the Latest Valuation relating to that Mortgage Loan, allows compliance with such percentage limit) in each and all respective Calculation Periods until the date on which all the outstanding Covered Bond are scheduled to be redeemed (including, for the avoidance of doubt, any amount of interest to be realised from the investment into Eligible Investments of principal collections arising from the expected amortisation of the Eligible Cover Pool in each and all respective Calculation Periods) and any amount of interest accrued on the Accounts and any additional cash flows expected to be deposited in the Accounts in each and all respective Calculation Periods;

(B) any amount to be received by the Guarantor as payments under the Swap Agreements prior to or on each and all respective Guarantor Payment Dates; and

(C) any other amount to be received by the Guarantor as payments owed under the Swap Agreements; and

(ii) the payments (in relation to the interest component only) to be effected in accordance with the relevant Priority of Payments, by the Guarantor in priority to any amount to be paid on the Covered Bonds, and including payments under the Swap Agreements on each and all respective Guarantor Payment Dates.

"**Net Present Value of the Outstanding Covered Bonds**" means, on each Calculation Date and/or Monthly Calculation Date and/or any other date on which the relevant Test is to be performed pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, an amount equal to the product of (i) the applicable Discount Factor and (ii) the expected principal and interest payments due in respect of the outstanding Series of Covered Bonds.

"**Net Present Value of the Eligible Cover Pool**" means, on each Calculation Date and/or Monthly Calculation Date and/or any other date on which the relevant Test is to be performed pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, an amount equal to the algebraic sum of:

(i) the product of:

(A) the applicable Discount Factor; and

(B) the expected future principal and future interest payments to be received by the Guarantor under or in respect of the Cover Pool (provided that such future principal and interest payments in respect of any Mortgage Loan for which the loan to value ratio exceed the percentage limit set forth under Article 129, paragraph 1, lett. (d) and (f) of the CRR will be considered up to an amount that, takes into account the Latest Valuation relating to that Mortgage Loan, allows compliance with such percentage limit) and the aggregate amount of all sums standing to the credit of Accounts (minus any amount deposited to the Collection Account or on any other account opened in the name of the Guarantor in any Eligible Institution pursuant to clause 14.1.1(ii) of the Servicing Agreement) as at the end of the immediately preceding Calculation Period which have not been applied in accordance with the relevant Priority of Payments and up to the Exposure Limit, as applicable, at such date; *plus*

(ii) the product of:

(A) the applicable Discount Factor; and

(B) the expected payments to be made or received by the Guarantor under or in respect of the Swap Agreements; *minus*

(iii) the product of:

(A) the applicable Discount Factor; and

(B) any amount expected to be paid by the Guarantor in priority to the Swap Agreements in accordance with the relevant Priorities of Payments (including the Expected Maintenance and Administration Cost); *plus*

(iv) any principal payment actually received by the Guarantor in respect of the Eligible Cover Pool and not yet applied under the relevant Priority of Payments, subject to Exposure Limit as applicable.

"**Discount Factor**" means the discount rate, implied in the relevant Swap Curve, calculated by the Calculation Agent on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant Tests are to be carried out pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be.

"**Eligible Cover Pool**" means, as at any relevant date, the aggregate of all the Eligible Assets, the Integration Assets and the Liquid Assets comprised in the Cover Pool, excluding (i) any Non Performing Loans and those Receivables, Integration Assets and Liquid Assets in relation to which a breach of any of the representations and warranties contained in the Warranty and Indemnity Agreement has occurred and has not been remedied and (ii) the aggregate of the Integration Assets and the Liquid Assets in excess of the Exposure Limit and (iii) unsecured receivables, in case a default pursuant to article 178 of the CRR occurs, as provided by article 7-undecies, paragraph 2, letter a) of Law 130.

"**Non-Performing Loan**" means a receivable which has been for at least180 consecutive days in arrears, or which has been classified as a *credito in sofferenza* pursuant to the Servicing Agreement. For the avoidance of doubt, this definition may differ from the classification of Non-Performing Loan used in the section headed "*Description of the Issuer and Initial Seller*".

"**Swap Curve**" means the term structure of interest rates used by the Servicer in accordance with the best market practice and calculated based on market instruments.

"**Expected Maintenance and Administration Costs**" means any expected cost related to maintenance and administration for the winding-down of the Programme appraised as an all-in sum equal to Euro 100,000.00 (one hundred thousand/00).

The Calculation Agent, on the basis of the information provided to it pursuant to the Transaction Documents, shall verify compliance, on a continuous basis, with the Mandatory Tests on each Calculation Date and/or Monthly Calculation Date and/or on any other date on which the verification of the Mandatory Tests is required pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, it being understood that calculation of the Mandatory Tests shall be performed consistently with the provisions set out in article 7-*undecies,* paragraph 2 of Law 130.

Prior to the service of a Notice to Pay, the Nominal Value Test will be deemed to be met as at any relevant date if the Asset Coverage Test is met as at such date.

The calculations performed by the Calculation Agent in respect of the Mandatory Tests will be monitored and verified from time to time by the Asset Monitor in accordance with the provisions of the Asset Monitor Agreement.

Asset Coverage Test

Starting from the Initial Issue Date and until the earlier of:

(a) 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 the Conditions; and

(b) the date on which a Notice to Pay is served on the Guarantor,

the Issuer (also in its capacity as Initial Seller) and the Additional Sellers (if any) shall procure, in accordance with the provisions set out in the Cover Pool Administration Agreement, that on any Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Asset Coverage Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Adjusted Aggregate Loan Amount is at least equal to the aggregate Outstanding Principal Balance of the Covered Bonds (the "**Asset Coverage Test**", and together with the Mandatory Tests, the "**Tests**").

For the purpose of the Asset Coverage Test, "**Adjusted Aggregate Loan Amount**" means an amount calculated in accordance with the following formula:

A+B+C-Y-W-Z

where:

"**A**" is equal to the lower of (i) and (ii),

where:

(i) is the aggregate of the "**LTV Adjusted Principal Balance**" of each Mortgage Loan in the Eligible Cover Pool as at any given date, calculated as the lower of: (1) the actual Outstanding Principal Balance of the relevant Mortgage Loan in the Eligible Cover Pool as at the last day of the immediately preceding Calculation Period; and (2) the Latest Valuation relating to that Mortgage Loan as at such date multiplied by M (where M is equal to (a.1) 80 per cent for all residential Mortgage Loans that are up to three months in arrears or not in arrears, (a.2) 60 per cent for all commercial Mortgage Loans that are up to three months in arrears or not in arrears, (b) 40 per cent for all Mortgage Loans that are more than three months in arrears, but are not yet Non-Performing Loans and (c) zero for all Non-Performing Loans) (including any unsecured loans in respect of which a default pursuant to article 178 of the CRR has occurred),

minus

the aggregate of the following deemed reductions to the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Eligible Cover Pool if any of the following occurred during the immediately preceding Calculation Period:

(a) a Mortgage Loan was, during the immediately preceding Calculation Period, in breach of the representations and warranties contained in the relevant Warranty and Indemnity Agreement and the relevant Seller has not indemnified the Guarantor or otherwise cured such breach, to the extent required by the terms of the relevant Warranty and Indemnity Agreement (any such Mortgage Loan an "**Affected Loan**"). In this event, the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Eligible Cover Pool (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the LTV Adjusted Principal Balance of the relevant Affected Loans (as calculated on the last day of the immediately preceding Calculation Period); and/or

(b) the relevant Seller, in any preceding Calculation Period, was in breach of any other material representation and warranty under the relevant Master Transfer Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Eligible Cover Pool (as calculated on the last day of the immediately preceding Calculation 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 in respect of such Mortgage Loan (such financial loss to be calculated by the Calculation Agent without double counting with the reduction under (A) above and to be set off against any amount paid (in cash or in kind) to the Guarantor by the relevant Seller and/or the Servicer to indemnify the Guarantor for such financial loss) (any such loss a "**Breach Related Loss**"); and/or

(c) the relevant borrower has requested a suspension of payment pursuant to the applicable legislation and regulations (*normativa primaria e secondaria*), including any order, decree or any other decision issued by the judiciary authority (*autorità giudiziaria*) or administrative authority (*autorità amministrativa*) or any other competent authority, or to the schemes with the relevant associations (*accordi con le associzioni di categoria*), including without limitation the scheme named "*Accordo per il Credito 2015*" between the *Associazione Bancaria Italiana* and the associations of enterprises for suspension of the debts of small and medium enterprises, according to Italian law No. 190/2014, and the scheme named "*Accordo per la sospensione del credito alle famiglie*" between the *Associazione Bancaria Italiana* and the associations of consumer clients dated 31 March 2015 as amended and supplemented, during the suspension period (any such Mortgage Loan a "**Renegotiated Loan**"). In this event, the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Eligible Cover Pool (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the LTV Adjusted Principal Balance, as calculated in (i) above, of each Renegotiated Loan multiplied by M (where M is equal to (a) zero for all Renegotiated Loans in respect of which, as at such date, payments have a residual suspension period of less than 91 days, (b) 50 per cent for all Renegotiated Loans in respect of which, as at such date, payments have a residual suspension period of more than 90 days but less than 181 days and (c) 100 per cent for all Renegotiated Loans in respect of which, as at such date, payments have a residual suspension period of more than 180 days);

AND

(ii) is the aggregate "**Asset Percentage Adjusted Principal Balance**" of the Mortgage Loans in the Eligible Cover Pool as at any given date which in relation to each Mortgage Loan shall be calculated as the lower of (1) the actual Outstanding Principal Balance of the relevant Mortgage Loan as calculated on the last day of the immediately preceding Calculation Period, and (2) the Latest Valuation relating to that Mortgage Loan as at such date multiplied by N (where N is equal to (a) 100 per cent for all Mortgage Loans that are less than three months in arrears or not in arrears, (b) 40 per cent for Mortgage Loans that are more than three months in arrears but are not yet Non-Performing Loans and (c) zero for all Non-Performing Loans),

minus

the aggregate sum of (1) the Asset Percentage Adjusted Principal Balance of any Affected Loan(s), calculated as described in item (i)(A) above and/or (2) any Breach Related Losses, calculated as described in item (i)(B) above and/or (3) the aggregate of the Asset Percentage Adjusted Principal Balance of any Renegotiated Loan, calculated as described in item (i)(C)above,

the result of which multiplied by the "Asset Percentage" (as defined below);

"**B**" is equal to the aggregate amount of all sums standing to the credit of Accounts (minus any amount deposited to the Collection Account, or on any other account opened in the name of the Guarantor in any Eligible Institution, pursuant to clause 14.1.1(ii) of the Servicing Agreement) as at the end of the immediately preceding Calculation Period which have not been applied in accordance with the relevant Priority of Payments up to the Exposure Limit, as applicable as at such date;

"**C**" is equal to the aggregate Outstanding Principal Balance of any Eligible Investments and/or Integration Assets and/or Liquid Assets (taking into account any Integration Assets and/or Liquid Assets in excess of the Exposure Limit pursuant to the Master Transfer Agreements for the purpose of complying with the Asset Coverage Test) as the end of the immediately preceding Calculation Period (without duplication with the amounts standing to the credit of the Accounts under "B" above);

"**Y**" is equal to zero if the Issuer's short-term unsecured and unsubordinated debt ratings are at least "P1" by Moody's, otherwise the Potential Set-Off Amounts;

"**W**" is equal to zero if the Issuer's short term unsecured and unsubordinated debt ratings are at least "P1" by Moody's, otherwise the Potential Commingling Amount;

"**Z**" means the amount resulting from the product of (i) the weighted average remaining maturity of all Covered Bonds then outstanding expressed in days and divided by 365, (ii) the Euro Equivalent amount of the aggregate Outstanding Principal Balance of the Covered Bonds, and (iii) 0.50 per cent (the "**Negative Carry Factor**");

"**Asset Percentage**" means, on any Calculation Date and/or Monthly Calculation Date and/or on any other date on which the Asset Coverage Test is to be performed under the Transaction Documents, as the case may be, the lower of (a) 80.00 per cent and (b) the higher of (1) such other percentage, determined by the Issuer on behalf of the Guarantor, as is sufficient to maintain the ratings assigned by Moody's to the Covered Bonds of the first Series on the Initial Issue Date; and (2) to the extent that the corporate rating of the Issuer by Moody's is at the relevant date lower than the corporate rating of the Issuer by Moody's as at the Initial Issue Date, such other percentage, determined by the Issuer on behalf of the Guarantor, as is sufficient to obtain a rating of the Covered Bonds equal to the rating that Moody's would have assigned by applying the same Moody's methodology used to assign the rating to the Covered Bonds of the first Series on the Initial Issue Date and considering a scenario where the corporate rating of the Issuer on the Initial Issue Date was such lower rating;

"**Latest Valuation**" means the most recent valuation of the relevant property performed in accordance with the BoI Regulations;

"**Potential Commingling Amount**" means:

(i) an amount equal to 2.1 per cent of the aggregate Outstanding Principal Balance of the Cover Pool but excluding any Non-Performing Loans; or

(ii) if the Second Moody's Rating Trigger is outstanding and (x) any of the remedies set out in clause 14.1.1(i) or (ii) of the Servicing Agreement has been put in place, an amount equal to zero or (y) none of the remedies set out in clause 14.1.1(i) and (ii) of the Servicing Agreement has been put in place, an amount equal to 2.625 per cent of the aggregate Outstanding Principal Balance of the Cover Pool but excluding any Non-Performing Loans.

The Potential Commingling Amount will be updated at least on a quarterly basis;

A "**Second Moody's Rating Trigger**" will be deemed to be outstanding if the Issuer's short term unsecured and unsubordinated debt ratings assigned by Moody's are at any time below "P2" by Moody's;

"**Potential Set-Off Amounts**" means the aggregate Outstanding Principal Balance of the Cover Pool that could potentially be lost as a result of the relevant Debtors exercising their set-off rights, and which in any case will never be lower than the Moody's Set-Off Exposure. Such amount will be calculated by the Calculation Agent on each Calculation Date and/or other date on which the Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and any other Transaction Documents, as the case may be, except when the Issuer's short term rating is at least "P1" by Moody's. The Potential Set-Off Amounts will be updated at least on a quarterly basis and after any transfer of Receivables to the Guarantor;

"**Moody's Set-Off Exposure**" means, in respect of each Debtor and as at any Calculation Date and/or Monthly Calculation Date and/or on any other date on which the Asset Coverage Test is to be performed under the Transaction Documents, as the case may be, the lower of:

(i) the greater of (a) the lower of (1) the aggregate amount at the Transfer Date of the relevant Mortgage Loan of cash multiplied by (1 minus 15%), certificates of deposit and saving accounts, deposited by the Debtor with the relevant Seller and any negative exposure for the relevant Seller *vis à vis* the Debtor referring to any "over-the-counter" (OTC) derivative transaction and (2) the aggregate amount as at the relevant date of cash multiplied by (1 minus 15%), certificates of deposit and saving accounts, deposited by the Debtor with the relevant Seller and any negative exposure for the relevant Seller *vis à vis* the Debtor referring to any "over-the-counter" (OTC) derivative transaction, *minus* the Moody's Deposit Compensation and (b) zero; and

(ii) the aggregate of the Outstanding Principal Balance of the relevant Mortgage Loan as at the immediately preceding Collection Period;

"**Moody's Deposit Compensation**" means, in respect of each Debtor and as at any Calculation Date and/or Monthly Calculation Date and/or on any other date on which the Asset Coverage Test is to be performed under the Transaction Documents, as the case may be, the lower of:

(i) the greater of (a) the lower of (1) the aggregate amount of cash multiplied by (1 minus 15%), certificates of deposit and saving accounts, deposited by the Debtor with the relevant Seller at the Transfer Date of the relevant Mortgage Loan and (2) the aggregate amount of cash multiplied by (1 minus 15%), certificates of deposit and saving accounts, deposited by the Debtor with the relevant Seller as at the relevant date, *minus* an amount equal to the instalments due and paid under the relevant Mortgage Loan during the immediately preceding two months, and (b) zero; and

(ii) the Compensation Threshold;

"**Compensation Threshold**" means Euro 100,000.00;

“**Transfer Date**” means, in respect of each Receivable arising under a Mortgage Loan, the later of (i) the date on which the relevant notice of assignment has been published in the *Gazzetta Ufficiale della Repubblica Italiana* and (ii) the date on which the relevant notice of assignment has been deposited with the relevant Companies’ Register.

The Amortisation Test

For so long as any Series of Covered Bonds remains outstanding, the Issuer (also in its capacity as Initial Seller) and any Additional Seller will ensure that following the service of a Notice to Pay on the Issuer and the Guarantor (but prior to the service of a Breach of Amortisation Test Notice on the Guarantor or the service of a Guarantor Default Notice on the Guarantor), on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Amortisation Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Amortisation Test Aggregate Loan Amount is equal to or higher than the Outstanding Principal Balance of the Covered Bonds (the “**Amortisation Test**”).

For the purpose of the Amortisation Test, the “**Amortisation Test Aggregate Loan Amount**” means an amount calculated in accordance with the following formula:

A* Guarantee Asset Percentage **+B+C-Z**

where:

“**A**” is the aggregated amount calculated as the sum of the lower of:

(1) the actual Outstanding Principal Balance of each Mortgage Loan as calculated on the last day of the immediately preceding Calculation Period multiplied by M; and

(2) the Latest Valuation relating to that Mortgage Loan as at such date multiplied by M.

For the purposes of items (1) and (2) above, M is equal to (a) 100 per cent for all Mortgage Loans that are up to three months in arrears or not in arrears, (b) 85 per cent for all Mortgage Loans that are more than three months in arrears but are not yet Non-Performing Loans and (c) 70 per cent for all Non-Performing Loans (including any unsecured loans in respect of which a default pursuant to article 178 of the CRR has occurred).

minus

the aggregate sum of the following deemed reductions to the aggregate Outstanding Principal Balance of the Mortgage Loans in the Eligible Cover Pool if any of the following occurred during the immediately preceding Calculation Period:

(I) a Mortgage Loan was, in the immediately preceding Calculation Period, an Affected Loan. In this event, the aggregate Outstanding Principal Balance of the Mortgage Loans in the Eligible Cover Pool (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the Outstanding Principal Balance of the relevant Affected Loans (as calculated on the last day of the immediately preceding Calculation Period) multiplied by M (where M is equal to (a) 100 per cent for all Mortgage Loans that are up to three months in arrears or not in arrears, and (b) 85 per cent for all Mortgage Loans that are more than three months in arrears but are not yet Non-Performing Loans and (c) 70 per cent for all Non-Performing Loans (including any unsecured loans in respect of which a default pursuant to article 178 of the CRR has occurred); and/or

(II) the relevant Seller, in any preceding Calculation Period, was in breach of any other material representation and warranty under the relevant Master Transfer Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Outstanding Principal Balance of the Mortgage Loans in the Eligible Cover Pool (as calculated on the last day of the immediately preceding Calculation 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 in respect of such Mortgage Loan (such financial loss to be calculated by the Calculation Agent without double counting with the reduction under (I) above and to be set off against any amount paid (in cash or in kind) to the Guarantor by the relevant Seller and/or the Servicer to indemnify the Guarantor for such financial loss); and/or

(III) any Mortgage Loan was, in the immediately preceding Calculation Period, a Renegotiated Loan. In this event, the aggregate of the Outstanding Principal Balance of the Mortgage Loans in the Eligible Cover Pool (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the aggregate of the Outstanding Principal Balance of each Renegotiated Loan calculated as the lower of (1) and (2) in "A" above multiplied by M (where M is equal to (a) zero for all Renegotiated Loans in respect of which, as at such date, payments have been suspended for less than 91 days, (b) 50 per cent for all Renegotiated Loans in respect of which, as at such date, payments have been suspended for more than 90 days but less than 181 days and (c) 100 per cent for all Renegotiated Loans in respect of which, as at such date, payments have been suspended for more than 180 days).

Guarantee Asset percentage is equal to 1/(75% * (1/(**AP**) -1)+1) where **AP** is the Asset Percentage used on the last Calculation Date preceding the service of a Notice to Pay.

"**B**" is the aggregate amount of all principal amounts collected by the Servicer in respect of the Eligible Cover Pool up to the end of the immediately preceding Calculation Period which have not been provisioned as at the relevant Calculation Date to acquire further Subsequent Portfolios or otherwise provisioned in accordance with the Transaction Documents.

"**C**" is the aggregate Outstanding Principal Balance of any Eligible Investments, Integration Assets and/or Liquid Assets as at the end of the immediately preceding Collection Period up to the Exposure Limit, as applicable.

"**Z**" is the amount resulting from the product of (i) the weighted average remaining maturity of all Covered Bonds then outstanding expressed in days and divided by 365, (ii) the Euro Equivalent amount of the aggregate Outstanding Principal Balance of the Covered Bonds, and (iii) the Negative Carry Factor.

The Calculation Agent shall verify compliance with the Amortisation Test on each Calculation Date and/or Monthly Calculation Date following the service of a Notice to Pay (but prior to the service of a Breach of Amortisation Test Notice on the Guarantor or the service of the Guarantor Default Notice on the Guarantor) and on any other date on which the verification of the Amortisation Test is required pursuant to the Cover Pool Administration Agreement and the other Transaction Documents.

For the purposes of verification of the Amortisation Test and the Mandatory Tests, the Nominal Value Test is deemed to be met if the Amortisation Test is met.

Following the occurrence of a breach of the Amortisation Test, the Representative of the Covered Bondholders will be entitled to serve a Breach of Amortisation Test Notice on the Guarantor pursuant to the provisions of the Intercreditor Agreement. To avoid any doubt the service of a Breach of the amortisation Test Notice shall not constitute a Guarantor Event of Default.

Consequences of the service of a Guarantor Default Notice on the Guarantor

Following the occurrence of any Guarantor Event of Default, the Representative of the Covered Bondholders will be entitled to serve a Guarantor Default Notice on the Guarantor pursuant to the provisions of the Intercreditor Agreement and:

(a) all the Covered Bonds shall become immediately due and payable at their Outstanding Principal Balance together with any appropriate accrued interest and will rank pari passu among themselves in accordance with the Post-Guarantor Event of Default Priority of Payments;

(b) subject to and in accordance with the terms of the Covered Bonds 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 Outstanding Principal Balance together with any appropriate accrued interest and any other amount due under the Covered Bonds in accordance with the Post-Guarantor Event of Default Priority of Payments. The Representative of the Covered Bondholders may, at its discretion and without further notice, subject to adequate satisfaction before doing so, take such steps and/or institute such proceedings against the Issuer or the Guarantor (as the case may be) as it may deem fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorized to do so by a resolution of the Covered Bondholders; and

(c) the Representative of the Covered Bondholders shall use its best effort to sell Receivables and/or the Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) in accordance with the provisions of this Cover Pool Administration Agreement.

See also the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement*" below.

The Liquidity Buffer Target Amount

Pursuant to the Cover Pool Administration Agreement and in accordance with, and pursuant to, article 7-*duodecies* of Law 130 and the BoI Regulations, for so long as the Covered Bonds remain outstanding, the Issuer shall procure on a continuing basis and on each Calculation Date, that the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days.

In accordance with article 7-*undecies,* paragraph 2, letter c), of Law 130, the Liquid Assets standing to the credit of the Accounts shall be considered to contribute to the Cover Pool, provided that such liquid assets satisfy the requirements to qualify as eligible assets set forth in article 7-*novies,* paragraph 1, letter a), of Law 130.

For so long as any Series of the Covered Bonds remain outstanding, the Calculation Agent shall verify – on the basis of the information made available to it in accordance with the Transaction Documents – that the Liquidity Buffer Target Amount is met on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the calculation of the Liquidity Buffer Target Amount is to be met pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be. For the avoidance of doubt all verifications made by the Calculation Agent will be based on the information provided by the Issuer, the Servicer, the Sellers, the Account Bank and the Paying Agents as at the end of the immediately preceding Collection Period.

If, on any Calculation Date and/or Monthly Calculation Date and/or each other day on which the calculation of the Liquidity Buffer Target Amount is to be met pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Liquidity Buffer Target Amount is not reached, upon notice of the Calculation Agent delivered in accordance with the Cover Pool Administration Agreement, the Issuer shall, or any additional Seller shall, upon indication of the Issuer, alternatively:

(i) sell Liquid Assets to the Guarantor in accordance with the BPER Master Transfer Agreement, or the relevant Additional Master Transfer Agreement, as the case may be, and, to this extent, shall grant the funds necessary for payment of the purchase price of the assets to the Guarantor in accordance with the BPER Subordinated Loan Agreement or the relevant Subordinated Loan Agreement, as the case may be; and/or

(ii) repurchase assets by exercising the call option provided for under the BPER Master Transfer Agreement or the relevant Additional Master Transfer Agreement, in accordance with and subject to the terms set out therein, and/or

(iii) grant to the Guarantor funds under the BPER Subordinated Loan Agreement or the relevant Subordinated Loan Agreement, as the case may be, in an aggregate amount sufficient to ensure that the Liquidity Buffer Target Amount is reached as soon as practicable.

For the entire period while the Liquidity Buffer Target Amount is not remedied, no further Series or Tranche of Covered Bonds may be issued being compliant with Law 130.

See also the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement"* below.

Exposure Limit

Pursuant to the Cover Pool Administration Agreement, for so long as any Series of the Covered Bonds remain outstanding, the Calculation Agent shall verify – on the basis of the information made available to it in accordance with the Transaction Documents – that the Exposure Limit has been correctly calculated on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the calculation of the Exposure Limit is to be verified pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be. For the avoidance of doubt such calculation is performed with respect to the Eligible Cover Pool as of the end of the immediately preceding Collection Period.

If, on any date until the occurrence of the Issuer Event of Default, the Exposure Limit is not correctly calculated, the Calculation Agent shall give notice to the Issuer, the Initial Seller, the Additional Sellers (if any), the Guarantor, the Representative of the Covered Bondholders and the Asset Monitor of such calculation (sending a new Test Performance Report with such amount correctly computed). In addition, the Issuer may, or any Additional Seller shall, upon indication of the Issuer:

(i) in its capacity as Seller, sell sufficient Subsequent Portfolios to the Guarantor in accordance with the BPER Master Transfer Agreement, as the case may be; and/or

(ii) in its capacity as Subordinated Loan Provider, request the Guarantor to reimburse the Subordinated Loan in accordance with the BPER Subordinated Loan Agreement, as the case may be,

in an aggregate amount sufficient to ensure that the Exposure Limit is complied with the terms and conditions set out under the Cover Pool Administration Agreement.

After the occurrence of an Issuer Event of Default and if the Amortisation Test is not breached, if the Exposure Limit is not complied with, the Calculation Agent shall give notice to the Issuer and the Representative of the Covered Bondholders, and, acting upon instructions of the Covered Bondholders and on the basis of the Test Performance Report, shall give instructions to the Cash Manager to invest all or part of the amounts standing on the Investment Account in Integration Assets and/or Liquid Assets in form of securities eligible under article 129 paragraph 1, (a) and (b) of CRR.

See also the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement"* below.

Minimum OC Requirement

Pursuant to the Cover Pool Administration Agreement, for so long as any Series of the Covered Bonds remain outstanding, (i) prior to occurrence of an Issuer Event of Default and service of a Notice to Pay on the Issuer and the Guarantor, the Calculation Agent will verify the Minimum OC Requirement as part of the Nominal Value Test on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Minimum OC Requirement is to be verified pursuant to the Cover Pool Administration Agreement and the other Transaction Documents and (ii) following the service of a Notice to Pay on the Issuer and the Guarantor (but prior to the service of a Guarantor Default Notice on the Guarantor), the Calculation Agent shall verify (in addition to the Amortisation Test being met in accordance with the Cover Pool Administration Agreement) that the Minimum OC Requirement is met on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the calculation of the Minimum OC Requirement is to be met pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be.

If, on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the calculation of the Minimum OC Requirement is to be verified pursuant to the Transaction Documents, the Minimum OC Requirement is not reached, the Calculation Agent shall send a written notice within 2 Business Days, to the Servicer, the Guarantor, the Representative of the Covered Bondholders and the Asset Monitor.

If the Minimum OC Requirement is not reached in accordance with the provisions of the Cover Pool Administration Agreement, then the Guarantor, acting upon instructions of the Representative of the Covered Bondholders (who shall act upon instructions of the Covered Bondholders in accordance with the Rules of the Organisation of the Covered Bondholders), shall:

(i) give instructions to the Cash Manager to invest all or part of the amounts standing to the Investment Account in Integration Assets and/or Liquid Assets in form of securities eligible under article 129 paragraph 1, (a) and (b), of the CRR and/or;

(ii) instruct the Cover Pool Manager to sell a sufficient amount of non eligible assets necessary to reach the Minimum OC Requirement.

See also the section headed "*Description of the Transaction Documents – Cover Pool Administration Agreement*" below.

ACCOUNTS AND CASH FLOWS

The Guarantor has opened and, subject to the terms of the Cash Management and Agency Agreement, shall at all times maintain with Banca Finanziaria Internazionale S.p.A., as separate accounts in the name of the Guarantor and in the interest of the Secured Creditors, the following accounts:

(a) the "**Expenses Account**";

(b) the "**Quota Capital Account**", a euro-denominated deposit account or any other account as may replace it in accordance with the Cash Management and Agency Agreement into which the sum representing 100 per cent of the Guarantor's equity capital (equal to Euro 10,000) has been deposited and will remain deposited therein for so long as all Covered Bonds issued or to be issued by the Issuer have been paid in full.

Expenses Account

Payments into the Expenses Account:

(a) on the Initial Issue Date the Expense Required Amount was be credited on the Expenses Account out of the interest collections received from the Initial Receivables credited to the Collection Account during the period starting from the Initial Valuation Date and ending on the Initial Issue Date;

(b) on each Guarantor Payment Date monies will be credited to the Expenses Account in accordance with the applicable Priority of Payments until the balance of such account equals the Expense Required Amount; and

(c) on a monthly basis, the interest accrued on the Expenses Account (if any) will be credited thereto.

Withdrawals from the Expenses Account:

(a) at any time the Account Bank will use the funds standing to the credit of the Expenses Account to pay the Expenses on the basis of the Payment Instructions from time to time received from the Guarantor or the Corporate Servicer; and

(b) on the Guarantor Payment Date on which all Covered Bonds will be redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amounts standing to the credit of the Expenses Account will be transferred to the Payments Account and used to make payments in accordance with the applicable Priority of Payments.

"**Expense Required Amount**" means Euro 50,000.

The Guarantor has opened and, subject to the terms of the Cash Management and Agency Agreement, shall at all times maintain with the Account Bank, as separate accounts in the name of the Guarantor and in the interest of the Secured Creditors, the following accounts:

(a) the "**Collection Account**";

(b) the "**Payments Account**";

(c) the "**Cash Reserve Account**";

(d) the "**Commingling Account**";

(e) the "**Investment Account**"; and

(f) the "**Securities Account**".

Collection Account

Payments into the Collection Account:

(a) all the collections and/or recoveries arising out of the Portfolios as they are collected and/or received and deposited by the Servicer in accordance with the Servicing Agreement

(b) all the proceeds made or received by the Guarantor from the sale of the Portfolios under the Master Transfer Agreements and the Servicing Agreement;

(c) all the funds advanced under the Subordinated Loan Agreements and to be used for the purposes of creating Eligible Deposits;

(d) all other sums paid to the Guarantor under any of the Transaction Documents including – for the avoidance of doubt – any indemnity paid by the Sellers in accordance with the Warranty and Indemnity Agreements; and

(e) on a monthly basis, the interest accrued on the Collection Account (if any) will be credited thereto.

Withdrawals from the Collection Account:

(a) the Account Bank will transfer from the Collection Account to the Investment Account upon instruction of the Investment Agent all or part of the funds credited on, and standing to the credit of, the Collection Account on the relevant Investment Date;

(b) on quarterly basis and on the basis of the Payment Instructions from time to time received from the Guarantor or the Corporate Servicer, the amount necessary to fund the Payments Account; and

(c) on the Initial Issue Date, the amount necessary to fund the Expense Required Amount .

Payments Account

Payments into the Payments Account:

(a) on the second Business Day before each Guarantor Payment Date all the amounts standing to the credit of Cash Reserve Account will be transferred to the Payments Account;

(b) any amounts whatsoever received by or on behalf of the Guarantor pursuant to the Swap Agreements will be credited to the Payments Account, except for collateral to be credited to the relevant Swap Collateral Account;

(c) all the proceeds made or received by the Guarantor from the sale of Selected Assets under the Cover Pool Administration Agreement;

(d) any interest accrued on any of the Accounts held with both the Account Bank (except as otherwise provided herein);

(e) at the end of any Collection Period, the interest accrued on the credit balance of the Investment Account and, prior to the service of a Notice to Pay, the Liquidity Buffer Account and the proceeds of the liquidation of the amounts invested in the Eligible Investments and Integration Assets and/or Liquid Assets consisting of securities, during the preceding Collection Period, if any, will be transferred to the Payments Account;

(f) upon instruction of the Guarantor Calculation Agent any amount standing to the credit of the Commingling Account shall be credited on the Payments Account;

(g) following the service of a Notice to Pay, any amount standing to the credit of the Liquidity Buffer Account shall be transferred 1 (one) Business Day prior to each Guarantor Payment Date, into the Payments Account;

(h) on the Guarantor Payment Date on which all Covered Bonds will be redeemed in full or cancelled in full and no more Covered Bonds may be issued under the Programme, any amounts standing to the credit of the Investment Account will be transferred to the Payments Account; and

(i) on the Guarantor Payment Date on which all Covered Bonds will be redeemed in full or cancelled in full and no more Covered Bonds may be issued under the Programme, any amounts standing to the credit of the Cash Reserve Account will be transferred to the Payments Account.

Withdrawals from the Payments Account:

(a) on each Guarantor Payment Date, the Cash Manager, on the basis of the relevant Payments Report and Payment Instructions, will, no later than 13.00 (Italian time), make those payments as are indicated in the relevant Payments Report in accordance with the applicable Priority of Payments (including any payment as purchase price of Subsequent Portfolios) other than those set out in paragraph (b) below; and

(b) one Business Day prior to each Guarantor Payment Date falling after the service of a Notice to Pay, the Cash Manager, on the basis of the relevant Payments Report and Payment Instructions, will transfer to the Subsequent Paying Agent the amounts necessary for the Subsequent Paying Agent to execute payments of interests and principal due in relation to the outstanding Covered Bonds.

Cash Reserve Account

Payments into the Cash Reserve Account:

(a) on each Guarantor Payment Date, monies will be credited to the Cash Reserve Account in accordance with the applicable Priority of Payments until the balance of such account equals the relevant Required Reserve Amount on such Guarantor Payment Date;

Withdrawals from the Cash Reserve Account:

(a) on the second Business Day before each Guarantor Payment Date all the amounts standing to the credit of the Cash Reserve Account will be transferred to the Payments Account;

(b) at the end of any Collection Period, the interest accrued on the credit balance of the Cash Reserve Account, if any, will be transferred to the Payments Account;

(c) the Account Bank will transfer from the Cash Reserve Account to the Investment Account upon instruction of the Investment Agent all or part of the funds credited on, and standing to the credit of, the Cash Reserve Account on the relevant Investment Date; and

(d) on the Guarantor Payment Date on which all Covered Bonds will be redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amounts standing to the credit of the Cash Reserve Account will be transferred to the Payments Account and used to make payments in accordance with the applicable Priority of Payments.

Commingling Account

Payments into the Commingling Account:

(a) within the fifth Business Day of each Collection Period, and in any event within 14 days following the BPER downgrade provided for under clause 14.1.1 of the Servicing Agreement, an amount, as calculated by the Servicer according to clause 14.1.1 (ii) of the Servicing Agreement, will be credited to the Commingling Account;

Withdrawals from the Commingling Account:

(a) the amounts standing to the credit of the Commingling Account, shall be credited on the Payments Account upon instruction of the Guarantor Calculation Agent; and

(b) within the fifth Business Day of each Collection Period any amount exceeding the calculation provided by the Servicer according to clause 14.1.1 (ii) of the Servicing Agreement will be paid back to the Servicer; and

(c) the Account Bank will transfer from the Commingling Account to the Investment Account upon instruction of the Investment Agent all or part of the funds credited on, and standing to the credit of, the Commingling Account on the relevant Investment Date.

Investment Account

Payments into the Investment Account:

(a) (i) amounts standing to the credit of the Collection Account, the Cash Reserve Account and the Commingling Account will be deposited upon discretion of the Investment Agent and (ii) on each Liquidation Date, by 15.00 (Italian time), or any other relevant date upon liquidation of the Integration Assets and/or Liquid Assets pursuant to clause 4.1.4 (ii)(b) of the Cash Management and Agency Agreement, the proceeds of the liquidation of the relevant Eligible Investments and Integration Assets and/or Liquid Assets consisting of securities (other than Liquid Assets deposited on the Liquidity Buffer Securities Account) standing to the credit of the Securities Account and (iii) the interest accrued on the investments until the end of the Collection Period, if any, will be credited;

(b) on a monthly basis, the interest accrued on the Investment Account (if any) will be credited thereto;

Withdrawals from the Investment Account:

(a) the funds standing to the credit of the Investment Account (if any) will be used to make Eligible Investments in accordance with clause 11 of the Cash Management and Agency Agreement;

(b) at the end of any Collection Period, the interest accrued on the credit balance of the Investment Account and the proceeds of the liquidation of the amounts invested in the relevant Eligible Investments and Integration Assets consisting of securities, during the preceding Collection Period, if any, will be transferred to the Payments Account;

(c) on the Guarantor Payment Date on which all Covered Bonds will be redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amounts standing to the credit of the Investment Account will be transferred to the Payments Account and used to make payments in accordance with the applicable Priority of Payments; and

(d) following the occurrence of an Issuer Event of Default and the servicing of an Issuer Default Notice on the Issuer and the Guarantor, all or part of the amounts standing to the credit thereof may be applied by the Cash Manager, in Integration Assets and/or Liquid Assets in accordance with clause 8.3 and/or clause 10.3 of the Cover Pool Administration Agreement.

"**Investment Date**" means any date in which the Investment Agent elects to make investments according to the Cash Management and Agency Agreement.

Securities Account

Payments into the Securities Account:

(a) all securities constituting Eligible Investments purchased upon instruction of the Investment Agent with the amounts standing to the credit of the Investment Account, pursuant to any order of the Investment Agent, and all Integration Assets and/or Liquid Assets consisting of securities (other than Liquid Assets deposited on the Liquidity Buffer Securities Account) will be deposited.

Withdrawals from the Securities Account:

(a) on each Liquidation Date, by 13.00 (Italian time) the Eligible Investments standing to the credit of the Securities Account will be liquidated and proceeds (including any interest or revenue accrued on such Eligible Investments) credited to the Investment Account by the Cash Manager promptly upon liquidation and in any case not later than 13.00 (Italian time) of the last day of the relevant Collection Period;and

(b) the Integration Assets and/or Liquid Assets consisting of securities (other than Liquid Assets deposited on the Liquidity Buffer Securities Account) will be liquidated in accordance with the Cover Pool Administration Agreement and proceeds (including any interest or revenue accrued on such Integration Assets and/or Liquid Assets) credited to the Investment Account by the Cash Manager promptly upon liquidation and in any case not later than 13.00 (Italian time) of the last day of the relevant Collection Period.

"**Liquidation Date**" means (a) one Business Day prior to the relevant Payments Report Date for any amount other than any Principal Available Funds or (b) one Business Day prior to the Payments Report Date falling on six months after the immediately following Payments Report Date for the Principal Available Funds.

The Guarantor may open and, subject to the terms of the Cash Management and Agency Agreement, shall at all times maintain with the Account Bank, as separate accounts in the name of the Guarantor and in the interest of the Secured Creditors, the following accounts:

(a) the "**Additional Collection Accounts**" and together with the Collection Account, the "**Collection Accounts**", and each of them a "**Collection Account**", in relation to the Subsequent Receivables and/or Integration Assets and/or Liquid Assets purchased by the Guarantor from each Additional Seller pursuant to the relevant Additional Master Transfer Agreement;

(b) the "**Liquidity Buffer Account**"; and

(c) the "**Liquidity Buffer Securities Account**".

Liquidity Buffer Account

Payments into the Liquidity Buffer Account:

(a) a Liquidity Buffer Account may be opened in the future into which Liquid Assets (other than securities) may be credited for the purpose of the Liquidity Buffer Target Amount, including through an advance of the Subordinated Loan pursuant to the Subordinated Loan Agreements;

(b) the proceeds from the liquidation of the Liquid Assets standing to the credit of the Liquidity Buffer Securities Account, also including the interest accrued on securities constituting Liquid Assets, will be credited;

(c) on a monthly basis, the interest accrued on the Liquidity Buffer Account (if any) will be credited thereto;

Withdrawals from the Liquidity Buffer Account:

(a) prior to the service of a Notice to Pay, at the end of any Collection Period, the interest accrued on the credit balance of the Liquidity Buffer Account, will be transferred to the Payments Account; and

(b) following the service of a Notice to Pay, any amount standing to the credit of the Liquidity Buffer Account shall be transferred 1 (one) Business Day prior to each Guarantor Payment Date, into the Payments Account.

Liquidity Buffer Securities Account

Securities delivery into the Liquidity Buffer Securities Account:

(a) a Liquidity Buffer Securities Account may be opened in the future into which all securities constituting Liquid Assets will be deposited for the purpose of the Liquidity Buffer Target Amount;

Withdrawals from the Liquidity Buffer Securities Account:

(a) upon instructions of the Guarantor (as directed by the Issuer before the occurrence Notice to Pay or by the Cover Pool Manager following a Notice to pay and before a Guarantor Default Notice), the Liquid Assets standing to the credit of the Liquidity Buffer Securities Account may be liquidated and proceeds credited to the Liquidity Buffer Account.

No payment may be made out of the Accounts which would thereby cause or result in any such account becoming overdrawn.

The Guarantor has opened and, subject to the terms of the Cash Management and Agency Agreement, shall at all times maintain with the Back-up Account Bank, the following accounts:

(a) the Payments Account;

(b) the Cash Reserve Account; and

(c) the Collection Account.

Under the Cash Management and Agency Agreement, the parties thereto agreed that upon:

a) the loss of the status of Eligible Institution by the Account Bank;

b) a change in any laws or regulations applicable to the Account Bank occurs, which may affect the ability and capability of Account Bank to carry out its activities hereunder; or

c) the appointment of the Account Bank being terminated for whatever reason,

the Guarantor shall procure, within 30 calendar days, the transfer of the amounts standing to the credit of the Payments Account, the Cash Reserve Account and the Collection Account to the corresponding Accounts held with the Back-up Account Bank and the Back-up Account Bank will then perform the activities required to be carried out by the Account Bank, and will be subject to all the provisions applicable to the Account Bank, pursuant to the Cash Management and Agency Agreement.

USE OF PROCEEDS

The net proceeds to the Issuer from the issue of a Tranche of Covered Bonds will be used by the Issuer as specified in the applicable Final Terms, either:

(a) Issuer for general funding purposes of the Group (including funding of the mortgage loans business of the Group); or

(b) to finance and/or refinance, in whole or in part, Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets, meeting the applicable Eligibility Criteria (as defined below).

Only Tranches or Series of Covered Bonds financing or refinancing Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets, and meeting the relevant set of the Eligibility Criteria and any other criteria specified in the Issuer's Green, Social and Sustainability Framework which is available on the Issuer's website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) may qualify as credible "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**".

According to the definition criteria set out by the International Capital Market Association (ICMA) Green Bond Principles (GBP), only Tranches of Covered Bonds financing or refinancing Eligible Green Assets will be denominated Green Bonds. According to the definition criteria set out by ICMA Social Bond Principles (SBP), only Tranches of Covered Bonds financing or refinancing Eligible Social Assets will be denominated Social Bonds. According to the definition criteria set out by ICMA Sustainability Bond Guidelines (SBG), only Tranches of Covered Bonds financing or refinancing Eligible Sustainable Assets will be denominated Sustainability Bonds.

In accordance with the Issuer's Green, Social and Sustainability Bond Framework:

- the net proceeds of each issue of a Tranche of Covered Bonds will not be used to finance or refinance any asset or investment related to: fossil fuels, nuclear energy, weapons, alcohol, gambling, adult entertainment, or tobacco. Furthermore, businesses with significant involvement in environmental controversies or social incidents such as human rights, labour rights, health and safety at work or negative impacts on communities will also be excluded under the Issuer's Green, Social and Sustainability Bond Framework;
- decisions relating to the selection and evaluation of Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets will be made by an ESG committee, comprising members of the Board of Directors of the Group as well as Issuer's top representatives from all relevant business departments involved in the origination of the Eligible Assets, with full knowledge of the technical and sustainability characteristics of the Eligible Assets. With regards to the general ESG risk management, in the unlikely event an Eligible Asset is subject to a material ESG controversy, as determined by the Issuer's ESG committee, it will be removed from the Eligible Asset Portfolio;
- the Issuer's finance department will be responsible for managing and monitoring the allocation of the net proceeds from Green Bonds, Social Bonds or Sustainability Bonds to the Eligible Assets Portfolio;
- pending the full allocation of the proceeds or in the unlikely case of insufficient Eligible Assets, the Issuer will temporarily hold any unallocated funds in the Group's treasury investment portfolio, in accordance with its liquidity policy and ESG Investment Policy;
- the allocation of the net proceeds from Green Bonds, Social Bonds or Sustainability Bonds may be subject to an external verification from an independent third party until full allocation, or in the event of significant changes in the allocation of proceeds. The post-issuance external verification report will be published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework).

The Issuer will publish an annual green, social and sustainability bond report on its website (https://istituzionale.bper.it/en/investor-relations/bonds-prospectus), detailing both the allocation of the net proceeds of the Green Bonds, Social Bonds or Sustainability Bonds issued, as well as the associated environmental and social impacts of the Eligible Asset Portfolio. The Issuer will also report on any material developments of the Eligible Asset Portfolio. This reporting commitment of the Eligible Asset Portfolio will cease once all Green Bonds, Social Bonds or Sustainability Bonds have matured.

For the purposes of this section:

"**Eligible Asset Portfolio**" means the asset portfolio identified as such in the Issuer's Green, Social and Sustainability Bond Framework, published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche of Covered Bonds.

"**Eligible Green Assets**" means projects identified as such in the Issuer's Green Bond Framework, published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche of Covered Bonds.

"**Eligible Social Assets**" means projects identified as such in the Issuer's Social Bond Framework, published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche of Covered Bonds.

"**Eligible Sustainability Assets**" means projects identified as such in the Issuer's Green Bond Framework, published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche of Covered Bonds.

"**Eligibility Criteria**" means the criteria prepared by the Issuer as set out in the Issuer's Green, Social and Sustainability Bond Framework, published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche of Covered Bonds.

“**ESG Investment Policy**” means the ESG investment policy prepared by the Issuer as set out in the Issuer's Green Bond Framework, published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework) as may be amended, supplemented or replaced before the Issue Date of the relevant Tranche of Covered Bonds.

The Issuer have appointed ISS Corporate Solutions (“**ICS**”) to provide an independent Second Party Opinion (“**Second Party Opinion**”) to confirm the validity of the Issuer’s Green, Social and Sustainability Framework and its alignment with ICMA’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. The Second Party Opinion also includes an assessment of the compliance of the Eligible Green Assets with the EU Taxonomy substantial contribution criteria for Climate Change Mitigation on a best effort basis. The Second Party Opinion is published by the Issuer on its website (https://istituzionale.bper.it/en/investor-relations/obbligazioni-e-prospetti/esg-framework).

The information on the websites does not form part of the Base Prospectus and has not been scrutinized or approved by the competent authority.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

BPER Master Transfer Agreement

On 17 September 2015, pursuant to a master transfer agreement entered into between BPER as Initial Seller and the Guarantor, as subsequently amended and restated (the "**BPER Master Transfer Agreement**"), the Initial Seller (a) has transferred without recourse (*pro soluto*) to the Guarantor an initial portfolio of monetary receivables arising from Mortgage Loans (the "**Initial Receivables**") and (b) may assign and transfer without recourse (*pro soluto*) any portfolio of Eligible Assets and/or Integration Assets and/or Liquid Assets (the "**Subsequent Portfolio**") to the Guarantor from time to time, in the cases and subject to the limits on the transfer of Subsequent Portfolios.

"**Eligible Assets**" means the Mortgage Loans.

"**Integration Assets**" (*Attività Idonee Integrative*) means (i) the assets mentioned in Article 129, paragraph 1, letter (c), of the CRR which meet the requirements set forth under article 129, paragraph 1(a), of the CRR and article 7-*novies* of Law 130, and (ii) the Public Entity Securities or other exposures mentioned in article 129, paragraph 1, letter (a) and (b), of the CRR, provided that the assets referred to in items (i) and (ii) above are qualified as eligible assets pursuant to article 7-*novies* of Law 130 and article 129 of the CRR.

"**Mortgage Loans**" means Italian residential and commercial mortgage loans (respectively *mutui ipotecari residenziali* and *mutui ipotecari commerciali*) having the characteristics set out in Article 2, paragraph 1, let. (a) and (b), of the MEF Decree with respect to loans assigned prior to the Implementation Date or, with respect to loans assigned on or after the Implementation Date, set out in article 129, paragraph 1, letter (d) and (f), of the CRR and article 7-*novies* of Law 130.

"**Public Entity Securities**" means any securities which meet the requirements set out under article 129, paragraph 1, let. (a) and (b) and article 7-*novies* of Law 130.

"**Subsequent Portfolio**" (*Portafoglio Successivo*) means any portfolio of Eligible Assets and/or Integration Assets and/or Liquid Assets which, further to the sale of the Initial Receivables, the Guarantor shall purchase from the Initial Seller and/or the Additional Sellers pursuant to the relevant Master Transfer Agreement.

"**Valuation Date**" means: (i) in respect of the Initial Receivables, 30 June 2015; and (ii) in respect of any portfolio of Subsequent Portfolios, the date indicated as such in the relevant offer for Subsequent Portfolios.

Purchase Price

The purchase price payable for the Initial Receivables has been determined and the purchase price for the Subsequent Portfolios will be determined pursuant to the provisions of the BPER Master Transfer Agreement.

Further assignments of Subsequent Portfolio

In accordance with the BPER Master Transfer Agreement and the Cover Pool Administration Agreement, BPER may (or, in order to prevent or to cure a breach of the Tests shall) transfer further Subsequent Portfolios in the following circumstances:

(a) to collateralise the issue of further Series or Tranches of Covered Bonds by the Issuer, each being an "Issuance Assignment";

(b) to invest (in whole or in part) the principal amounts collected by the Servicer in respect of the Cover Pool and/or the Principal Available Funds deriving from Integration Assets and/or Liquid Assets,each being a "Revolving Assignment";

(c) to ensure compliance with the Mandatory Tests, the Asset Coverage Test, the Liquidity Buffer Target Amount and/or the Exposure Limit in accordance with the Cover Pool Administration Agreement, each being an "Integration Assignment".

Pursuant to the BPER Master Transfer Agreement, in the event of breach of any or all of the Mandatory Tests or the Asset Coverage Test, BPER shall, or in the event of breach of the Liquidity Buffer Target Amount or the Exposure Limit, BPER will have the faculty to sell further Subsequent Portfolios in accordance with the Cover Pool Administration Agreement, in aggregate amount sufficient to ensure that the relevant Tests or the Liquidity Buffer Target Amount or the Exposure Limit are met in accordance with the OBG Regulations.

Further assignments

The obligation of the Guarantor to purchase any Subsequent Portfolios shall be conditional upon:

(a) for the Revolving Assignments, (i) the existence of sufficient Principal Available Funds in accordance with the Pre-Issuer Event of Default Principal Priority of Payments and (ii) confirmation by the Calculation Agent that, as a result of such assignment, the Asset Coverage Test, the Mandatory Tests and the Liquidity Buffer Target Amount will be complied with;

(b) for the Issuance Assignments, (i) sufficient funds are advanced under the BPER Subordinated Loan, to pay the relevant purchase price, (ii) the existence of sufficient Principal Available Funds in accordance with the Pre-Issuer Event of Default Principal Priority of Payments and (iii) confirmation by the Calculation Agent that, as a result of such assignment, the Asset Coverage Test, the Mandatory Tests and the Liquidity Buffer Target Amount will be complied with; and

(c) for the Integration Assignments, sufficient funds are advanced under the BPER Subordinated Loan and/or, only prior to the service of a Notice to Pay, (i) the existence of sufficient Principal Available Funds in accordance with the Pre-Issuer Event of Default Principal Priority of Payments and (ii) confirmation by the Calculation Agent that, as a result of such assignment, the Asset Coverage Test, the Mandatory Tests and the Liquidity Buffer Target Amount will be complied with.

Each portfolio of Subsequent Receivables shall be exclusively composed of monetary receivables arising under Mortgage Loans, which comply with the General Criteria and, if applicable in relation to the relevant transfer, the Specific Criteria specified in the relevant offer for sale sent by the Initial Seller to the Guarantor in accordance with the provisions of the BPER Master Transfer Agreement.

Price adjustments

The BPER Master Transfer Agreement provides a price adjustment mechanism pursuant to which:

(a) if, following the relevant effective date, it transpires that any Initial Receivable or Subsequent Portfolio does not meet the Criteria and was therefore erroneously transferred to the Guarantor, then such Initial Receivable or Subsequent Portfolio will be deemed not to have been assigned and transferred to the Guarantor pursuant to the BPER Master Transfer Agreement;

(b) if, following the relevant effective date, it transpires that any initial receivable or subsequent receivable which met the Criteria was not included in the Initial Receivables or the Subsequent Portfolios, then such Initial Receivable or Subsequent Portfolios shall be deemed to have been assigned and transferred to the Guarantor as of the Valuation Date of the relevant Initial Receivable or Subsequent Portfolios, pursuant to the BPER Master Transfer Agreement.

Pursuant to the BPER Master Transfer Agreement, the Initial Seller and the Guarantor have set up a proper mechanism to manage the necessary settlements for the substitution or acquisition of the relevant Initial Receivables or Subsequent Portfolios and the increase or decrease, as the case may be, of the amounts already paid as purchase price.

Repurchase of receivables and pre-emption right

(a) The Initial Seller is granted with an option right, pursuant to Article 1331 of Italian Civil Code, to repurchase the Initial Receivables or Subsequent Portfolios assigned by it, also in different tranches, in accordance with the terms and conditions set out in the BPER Master Transfer Agreement.

(b) According to the BPER Master Transfer Agreement, the Initial Seller is granted a pre-emption right to repurchase the Initial Receivables or Subsequent Portfolios assigned by it, to be sold by the Guarantor to third parties, at the same terms and conditions provided for such third parties.

Termination of the Guarantor's obligation to purchase Subsequent Portfolios

Pursuant to the BPER Master Transfer Agreement, the obligation of the Guarantor to purchase Subsequent Portfolios from the Initial Seller shall terminate upon the occurrence of any of the following: (a) the Programme Termination Date has occurred; or (b) a Notice to Pay has been served on the Issuer and the Guarantor.

For the purposes hereof, "**Programme Termination Date**" means the date falling one year prior to the termination of the Guarantor according to the relevant By-laws.

Moreover, the obligation of the Guarantor to purchase Subsequent Portfolios from the Initial Seller shall terminate upon the occurrence of any of the following: (a) a breach of material obligations of BPER as Initial Seller pursuant to the Transaction Documents to which it is a party, in the event such breach is not cured within the period specified in the BPER Master Transfer Agreement, or it is otherwise not curable; (b) any material breach of BPER's representations and warranties given in any of the Transaction Documents to which it is a party and such breach has a material adverse effect on the Covered Bondholders; (c) a material adverse change has occurred in respect of BPER; (d) a change of control of BPER which has caused BPER not to be part of the BPER Group; and (e) winding up of BPER, or opening of other bankruptcy or insolvency proceeding with respect to BPER.

Following the occurrence of one of the events described above, the Guarantor shall no longer be obliged to purchase Subsequent Portfolios from BPER without prejudice, however, with the provisions set out in the BPER Master Transfer Agreement in relation to Integration Assignments.

Undertakings

The BPER Master Transfer Agreement also contains a number of undertakings by the Initial Seller in respect of its activities in relation to the Eligible Assets, Integration Assets and/or the Liquid Assets. The Initial Seller has undertaken, *inter alia,* to refrain from carrying out activities with respect to the Eligible Assets, Integration Assets and/or the Liquid Assets which may prejudice the validity or recoverability of any such assets and, in particular, not to assign or transfer the Eligible Assets, Integration Assets and/or the Liquid Assets to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Eligible Assets, Integration Assets and/or the Liquid Assets. The Initial Seller has also undertaken to refrain from any action which could cause any of the Eligible Assets, Integration Assets and/or the Liquid Assets to become invalid or cause a reduction in the amount of any of the Eligible Assets, Integration Assets and/or the Liquid Assets or the Covered Bond Guarantee. The BPER Master Transfer Agreement also provides that the Initial Seller shall waive any set off rights in respect of the Eligible Assets, Integration Assets and/or the Liquid Assets, and co-operate actively with the Guarantor in any activity concerning the Eligible Assets, Integration Assets and/or the Liquid Assets.

Additional Sellers

Any bank, other than the Initial Seller, which is and/or will be a member of the BPER Group (each an "**Additional Seller**"), that will sell further Subsequent Portfolios, to the Guarantor, subject to satisfaction of certain conditions, and which, for such purpose, shall, *inter alia*:

(i) enter into with the Guarantor a master transfer agreement providing for, *mutatis mutandis*, substantially the same terms and conditions of the BPER Master Transfer Agreement (each an "**Additional Master**

Transfer Agreement" and, together with the BPER Master Transfer Agreement, the "**Master Transfer Agreements**" and, any one of them, a "**Master Transfer Agreement**"); and

(ii) accede to the Intercreditor Agreement by signing an accession letter substantially in the form attached to the Intercreditor Agreement and the Cover Pool Administration Agreement, respectively.

Governing law

The BPER Master Transfer Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Servicing Agreement

The Guarantor appointed BPER (in such capacity, the "**Servicer**") as servicer of the Receivables, the Public Entity Securities and the Liquid Assets pursuant to the terms of a servicing agreement dated 17 September 2015, as amended from time to time and on 29 September 2023, as subsequently amended (the "**Servicing Agreement**").

Under the Servicing Agreement, the Servicer has agreed to perform certain servicing duties in connection with the Receivables, the Public Entity Securities and the Liquid Assets and, in general, the Servicer has agreed to be responsible for the management of the Receivables and of the Public Entity Securities respectively assigned by it and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*) in accordance with the requirements of the Law 130.

As consideration for activities performed and reimbursement of expenses, the Servicing Agreement provides that the Servicer will receive certain fees payable by the Guarantor on each Guarantor Payment Date in accordance with the applicable Priorities of Payments.

Servicer's activities

In the context of the appointment, the Servicer has undertaken to perform, with its best diligence, *inter alia,* the following activities:

(a) administration, management and collection of the Receivables, the Public Entity Securities and the Liquid Assets, as applicable, in accordance with the collection policies, management and administration of enforcement proceedings and insolvency proceedings;

(b) being responsible for data processing (*responsabile del trattamento dei dati personali*) in respect of the data relating to the Receivables, the Public Entity Securities and the Liquid Assets, as applicable, respectively assigned by it pursuant to Article 29 of the Legislative Decree No. 196 of 30 June 2003, as amended and supplemented from time to time, (the "**Decree 196/2003**") and to Article 4 of the Regulation (EU) 2016/679 of 27 April 2016 ("**GDPR**" and, together with the Decree 196/2003, the "**Privacy Law**") and any implementing provisions thereof;

(c) to keep and maintain updated and safe the respective documents relating to the Receivables, the Public Entity Securities and the Liquid Assets, as applicable, respectively assigned by it; to consent to the Guarantor and the Representative of the Covered Bondholders examining and inspecting the documents and drawing copies; and

(d) upon the service of a Notice to Pay, a Breach of Amortisation Test Notice or a Guarantor Default Notice, to comply with the instructions of the Representative of the Covered Bondholders and shall, if acting on behalf of the Guarantor, sell or offer to sell to third parties one or more Receivables and/or Integration Assets and/or Liquid Assets (other than Eligible Deposits) included in the Cover Pool, in accordance with the provisions of the Cover Pool Administration Agreement.

The Servicer is entitled to delegate the performance of certain activities to third parties, except, *inter alia*, for the supervisory activities in accordance with Bank of Italy Regulations of 3 April 2015, No. 288, as amended and supplemented from time to time. Notwithstanding the above, the Servicer shall remain fully liable for the activities performed by a party so appointed by the Servicer, and shall maintain the Guarantor fully indemnified for any losses, costs and damages incurred for the activity performed by a party so appointed by the Servicer.

Servicer Reports

The Servicer has undertaken to prepare and submit quarterly reports to the Guarantor, the Corporate Servicer, the Calculation Agent, the Representative of the Covered Bondholders, the Rating Agency and the Guarantor Calculation Agent, in the form set out in the Servicing Agreement, containing information in respect of the Servicer's activities during the preceding Collection Period, including as to the collection and recoveries made in respect of the Cover Pool. After the occurrence of a breach of any of the Tests, and until the date on which such breach has been cured, or, prior to a breach of any of the Test, at any time at its discretion, the Servicer will prepare and submit to the Guarantor, the Corporate Servicer, the Calculation Agent, the Representative of the Covered Bondholders, the Rating Agency and the Guarantor Calculation Agent. The reports will provide the main information relating to the Servicer's activity during each such period.

Successor Servicer

Pursuant to the Servicing Agreement, the Guarantor, upon the occurrence of a termination event, shall have the right to withdraw the appointment of the relevant Servicer at any time and to appoint a different entity (each a "**Successor Servicer**"). The Successor Servicer shall undertake to carry out the activity of administration, management and collection of the relevant Receivables, the Public Entity Securities and the Liquid Assets in respect of which it has been appointed, as well as all other activities provided for in the relevant Servicing Agreement by entering into a servicing agreement having substantially the same form and contents as the relevant Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

The Guarantor may terminate the appointment of the Servicer and appoint a Successor Servicer following the occurrence of certain termination events set out in the Servicing Agreement (each a "**Servicer Termination Event**")**.**

The Servicer Termination Events include, *inter alia*:

(a) failure to transfer, deposit or pay any amount due by the relevant Servicer which failure continues for a period of five Business Days following receipt by the relevant Servicer of a written notice from the Guarantor requiring the relevant amount to be paid or deposited;

(b) the Bank of Italy has proposed to the Minister of Finance to admit the relevant Servicer to any insolvency proceeding or a request for the judicial assessment of the insolvency of the relevant Servicer has been filed with the competent office or the relevant Servicer has been admitted to the procedures set out in articles 74 and 76 of the Banking Act, or a resolution is passed by the relevant Servicer with the intention of applying for such proceedings to be initiated;

(c) failure by the relevant Servicer to observe or perform duties under the Transaction Documents to which it is a party and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the Guarantor and such failure is reasonably deemed by the Representative of the Covered Bondholders as materially prejudicial to the Covered Bondholders;

(d) the representations and warranties made by the Servicer in the Transaction Documents to which it is a party are materially false or misleading and such misrepresentation is reasonably deemed by the Representative of the covered Bondholders as materially prejudicial to the interest of the Covered Bondholders;

(e) the Servicer is unable to meet the legal requirements and the Bank of Italy's regulations for entities acting as servicer; and

(f) the Servicer ceases to belong to the BPER Group.

Governing law

The Servicing Agreement, and any non-contractual obligations arising out of or in connection with it, it is governed by, and shall be construed in accordance with, Italian law.

BPER Warranty and Indemnity Agreement

On 17 September 2015, the Initial Seller and the Guarantor entered into a warranty and indemnity agreement, as amended from time to time and on 29 September 2023, as subsequently further amended (the "**BPER Warranty and Indemnity Agreement**"), pursuant to which the Initial Seller made certain representations and warranties to the Guarantor in respect of the portfolios of Receivables, Integration Assets and Liquid Assets transferred and to be transferred by it.

Specifically, as of the date of execution of the BPER Master Transfer Agreement, as of each subsequent transfer date and as of each Issue Date, the Initial Seller has given to the Guarantor, *inter alia,* representations and warranties about: (a) its status and powers, (b) the information and the documents provided to the Guarantor, (c) its legal title on the Receivables, Public Entity Securities and Liquid Assets assigned by it, (d) the status of the Receivables, Public Entity Securities and Liquid Assets assigned by it and (e) the terms and conditions of the Receivables assigned by it.

Pursuant to the BPER Warranty and Indemnity Agreement, the Initial Seller has undertaken to fully and promptly indemnify and hold harmless the Guarantor and its officers, directors and agents, from and against any and all damages, losses, claims, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees and disbursements and any value added tax and other tax thereon as well as any claim for damages by third parties) awarded against, or incurred by, any of them, arising from any representations and/or warranties made by the Initial Seller under the BPER Warranty and Indemnity Agreement being actually false, incomplete or incorrect and/or failure by the Initial Seller to perform any of the obligations and undertakings assumed by the Initial Seller under the Transaction Documents to which it is a party.

Moreover, the BPER Warranty and Indemnity Agreement provides that, in the event of a misrepresentation or a breach of any of the representations and warranties made by the Initial Seller under the BPER Warranty and Indemnity Agreement, which materially and adversely affects the value of one or more Receivables or Public Entity Securities or Liquid Assets or the interest of the Guarantor in such Receivables or Public Entity Securities or Liquid Assets, and such misrepresentation or breach is not cured, whether by payment of damages or indemnification or otherwise, by the Initial Seller within a period of 30 (thirty) days from receipt of a written notice from the Guarantor to that effect (the "**Cure Period**"), the Guarantor has the option, pursuant to article 1331 of the Italian Civil Code, to assign and transfer to the Initial Seller all of the Receivables or the Public Entity Securities or the Liquid Assets affected by any such misrepresentation or breach (the "**Affected Receivables**"). The Guarantor will be entitled to exercise the put option by giving to the Initial Seller, at any time during the period commencing on the Business Day immediately following the last day of the Cure Period and ending on the day which is 180 days after such Business Day, written notice to that effect (the "**Put Option Notice**").

Additional Sellers

Any Additional Seller that will sell Subsequent Portfolio to the Guarantor, will be, *inter alia*, required to enter into with the Guarantor a warranty and indemnity agreement providing for, *mutatis mutandis*, substantially the same terms and conditions of the BPER Warranty and Indemnity Agreement (each such agreement, an "**Additional Warranty and Indemnity Agreement**" and, together with the BPER Warranty and Indemnity Agreement, the "**Warranty and Indemnity Agreements**").

Governing law

The BPER Warranty and Indemnity Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

BPER Subordinated Loan Agreement

On 17 September 2015, the Initial Seller and the Guarantor entered into a subordinated loan agreement, as amended from time to time and on 29 September 2023, as subsequently further amended (the "**BPER Subordinated Loan Agreement**"), pursuant to which the Initial Seller has granted to the Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to the BPER Commitment Limit. Under the provisions of such agreement, the Initial Seller shall make advances to the Guarantor in amounts equal to the relevant price of the Receivables transferred from time to time to the Guarantor by it, including the Subsequent Portfolios to be transferred in order to prevent a breach of the Tests. Each advance granted by the Initial Seller pursuant to the BPER Subordinated Loan Agreement shall be identified in (a) a term loan advanced to fund the purchase price of Receivables to be sold in the framework of an Issuance Assignment each being an Issuance Advance); (b) a term loan advanced for the purpose of purchasing further Subsequent Portfolios in the framework of an Integration Assignment each being an Integration Advance); (c) a term loan advanced for the purpose of paying any amount required to be paid as a result of an adjustment to be made to the purchase price of Initial Receivables and/or Subsequent Portfolios in accordance with the BPER Master Transfer Agreement each being a Price Adjustment Advance; and (d) financing the creation and/or the maintenance of a cash reserve composed by Integration Assets and/or Liquid Assets (also in the form of bank deposit), or the purchase of other Liquid Assets, in order to meet the Liquidity Buffer Target Amount (each being an Eligible Deposits or Liquid Assets Advance.

The Guarantor shall pay any interest due under the Subordinated Loan on each Guarantor Payment Date in accordance with the relevant Priorities of Payments.

The Advances shall bear interest and be remunerated by way of the Subordinated Loan Interest.

"**Subordinated Loan Interest**" means:

(i) prior to the service of a Notice to Pay and, in the event that such Notice to Pay has been revoked, an amount equal to the higher of zero and the algebraic sum of:

  (i) (+) the amount of Interest Available Funds; and

  (ii) (-) the sum of any amount paid under items from (i) to (ix) of the Pre-Issuer Event of Default Interest Priority of Payment; or

(ii) following the service of a Notice to Pay and for so long as such Notice to Pay has not been revoked, but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice, an amount equal to the higher of zero and the algebraic sum of:

  (i) (+) the amount of Available Funds; and

  (ii) (-) the sum of any amount paid under items from (i) to (vi) of the Post-Issuer Event of Default Priority of Payments; or

(iii) following the service of a Guarantor Default Notice an amount equal to the higher of zero and the algebraic sum of:

  (i) the amount of Available Funds; and

  (ii) the sum of any amount paid under items from (i) to (v) of the Post-Guarantor Event of Default Priority of Payments.

The Advances shall be due for repayment on the date that matches the latest maturity date of the Covered Bonds issued under the Programme, and shall be repayable within the limits of the Available Funds and in accordance with the relevant Priority of Payments.

Notwithstanding the above, prior to the service of a Notice to Pay, upon receipt by the Guarantor of a request from the Initial Seller, the Advances shall be repaid by the Guarantor prior to the date that matches the maturity date of the relevant series of Covered Bonds issued under the Programme in accordance with the relevant

Priority of Payments, provided that the Calculation Agent confirms that, as a result of such early repayment, the Asset Coverage Test, the Mandatory Tests and the Liquidity Buffer Target Amount will be complied with.

Additional Sellers

Any Additional Seller that will sell Subsequent Portfolios to the Guarantor will be required to enter into with the Guarantor a subordinated loan agreement providing for, *mutatis mutandis*, substantially the same terms and conditions of the BPER Subordinated Loan Agreement (each such agreement an "**Additional Subordinated Loan Agreement**" and, together with the BPER Subordinated Loan Agreement, the "**Subordinated Loan Agreements**").

In such event, the portion of Subordinated Loan Interest to be paid to the Initial Seller and the relevant Additional Sellers will be determined on the basis of the formula to be agreed from time to time by the Initial Seller such Additional Sellers and the Guarantor (and indicatively based on the portion of assets transferred by each Seller at any date with respect to the aggregate amount of the Cover Pool at the same date).

Governing law

The BPER Subordinated Loan Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Covered Bond Guarantee

On or about the Issue Date, the Guarantor issued a guarantee securing the payment obligations of the Issuer under the Covered Bonds (the "**Covered Bond Guarantee**"), in accordance with the provisions of Law 130. Under the terms of the Covered Bond Guarantee:

(i) following the service of a Notice of Pay or a Breach of Amortisation Test Notice on the Guarantor but prior to the service of a Guarantor Default Notice, the Guarantor has agreed to pay, or procure to be paid, unconditionally and irrevocably to, or to the order of, the Representative of the Covered Bondholders (for the benefit of the Covered Bondholders), any amounts due under the relevant Series of Covered Bonds on the Scheduled Due for Payment Date; and

(ii) following the service of a Guarantor Default Notice, the Guarantor has agreed to pay, or procure to be paid, unconditionally and irrevocably to, or to the order of, the Representative of the Covered Bondholders (for the benefit of the Covered Bondholders), any amounts due under the relevant Series of Covered Bonds on the Due for Payment Date.

Pursuant to article *7-bis* of Law 130 and article 4 of the MEF Decree as applicable until the Implementation Date, and articles 7-*sexies,* paragraph 1, letter (c) and 7-*quaterdecies* of Law 130 as applicable from the Implementation Date, the guarantee provided under this Covered Bond Guarantee is a first demand autonomous guarantee (*garanzia autonoma a prima richiesta*) and therefore provides for direct and independent obligations of the Guarantor *vis-à-vis* the Covered Bondholders. The obligation of payment under this Covered Bond Guarantee shall be an unconditional and irrevocable (*irrevocabile*) obligation of the Guarantor, irrespective of, and unaffected by, any invalidity, irregularity or unenforceability or genuineness of any of the obligations of the Issuer under the Covered Bonds, with limited recourse to the Available Funds.

The Covered Bond Guarantee is not a "*fideiussione*" and therefore the provisions of the Italian Civil Code relating to *fideiussione* set forth in articles 1939 (*Validità della fideiussione*), 1941, paragraph 1 (*Limiti della fideiussione*), 1944, paragraph 2 (*Obbligazione del fideiussore*), 1945 (*Eccezioni opponibili dal fideiussore*), 1955 (*Liberazione del fideiussore per fatto del creditore*), 1956 (*Liberazione del fideiussore per obbligazione futura*) and 1957 (*Scadenza dell'obbligazione principale*) shall not apply to the Covered Bond Guarantee.

Following the service of a Notice to Pay on the Guarantor, but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice, payments by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made, subject to and in accordance with the Post-Issuer Event of Default Priority of Payments, on the relevant Scheduled Due for Payment Date, subject as described below in relation to an Article 74 Event or the occurrence of compulsory liquidation (*liquidazione coatta amministrativa)* or resolution (*risoluzione)* of the Issuer. In addition, if an Extended Maturity Date is envisaged under the relevant Final Terms, where the Guarantor is required to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Maturity Date of the relevant Series of Covered Bonds, to the extent that the Guarantor has insufficient moneys available after payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the relevant Priority of Payments, to pay such Guaranteed Amounts, it shall make partial payments of such Guaranteed Amounts in accordance with the Post-Issuer Event of Default Priority of Payments on such Maturity Date and any such amount due and remaining unpaid on such date may be paid by the Guarantor on any Scheduled Payment Date thereafter, up to (and including) the relevant Extended Maturity Date, if applicable.

Following the occurrence of an Issuer Event of Default arising as a result of a resolution issued in respect of the Issuer pursuant to article 74 of the Banking Act (an "**Article 74 Event**") and the service of a Notice to Pay, the Guarantor, in accordance with article 7-*quaterdecies*, paragraph 3, of Law 130, shall be solely responsible for making the payments of the Guaranteed Amounts falling due under the relevant Covered Bonds during the applicable Suspension Period. The Suspension Period shall end upon delivery by the Representative of the Covered Bondholders of a notice to the Issuer and the Guarantor (the "**Article 74 Event Cure Notice**"), informing such parties that the Article 74 Event has been cured, provided that in relation to such cure event, the Representative of the Covered Bondholders shall be entitled, if it deems appropriate, to receive and to rely upon prior confirmation from competent professionals of such cure event having occurred. Upon service of the Article 74 Event Cure Notice and unless a Notice to Pay in connection with the occurrence of another Issuer Event of Default has been otherwise served on the Issuer and the Guarantor, the Guarantor's obligation to make payment of the Guaranteed Amounts in accordance with the Covered Bond Guarantee shall cease to apply and the Issuer shall resume responsibility for making any payment due under the Covered Bonds.

As of the date of compulsory liquidation (*liquidazione coatta amministrativa)* or, to the greatest extent permissible by law and without prejudice to the Conditions 11(a)(iv), resolution (*risoluzione)* of the Issuer or following the service of an Notice to Pay on the Issuer and the Guarantor, the Guarantor shall, in accordance with the provisions of Article 7-*quaterdecies* paragraph 3 of Law 130, unless the Issuer has fulfilled its payment obligations under the Covered Bonds by the relevant Scheduled Due for Payment Date, fulfil all obligations of the Issuer towards the Covered Bondholders within the limit of the Cover Pool and in accordance with the terms and conditions originally set out for the Covered Bonds.

Following the service of a Breach of Amortisation Test Notice, all Covered Bonds then outstanding will become Pass Through Covered Bonds in accordance with the Conditions and will rank *pari passu* and without any preference amongst themselves. In such circumstances, the Available Funds shall be applied in accordance with the Post-Breach of Amortisation Test Priority of Payments.

Following the service of a Guarantor Default Notice, all Covered Bonds then outstanding will accelerate against the Guarantor in accordance with the Conditions and will become immediately due and payable ranking *pari passu* and without any preference amongst themselves. In such circumstances, the Available Funds shall be applied in accordance with the Post-Guarantor Event of Default Priority of Payments.

All payments of Guaranteed Amounts by or on behalf of the Guarantor under the Covered Bond Guarantee shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Italian Republic or any political subdivision or taxing authority therein or thereof unless such withholding or deduction is required by law or regulation. If any such withholding or deduction is required, the Guarantor will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The Guarantor will not be obliged to pay any amount to any Covered Bondholder in respect of the amount of such withholding or deduction.

Exercise of rights

Following the service of a Notice to Pay on the Issuer and the Guarantor, but prior to the service of a Guarantor Default Notice, the Guarantor – also in accordance with the provisions of the Covered Pool Administration Agreement and with reference and as of the date of compulsory administrative liquidation (*liquidazione coatta amministrativa*), or, to the greatest extent permissible by law and without prejudice to the Conditions, unless the Issuer has fulfilled its payment obligations under the Covered Bonds by the relevant Scheduled Due for Payment Date – shall substitute the Issuer in every and all obligations of the Issuer towards the Covered Bondholders in accordance with the terms and conditions originally set out for the relevant Covered Bonds, so that the rights of the Covered Bondholders to receive payments under such Covered Bonds in such circumstances shall only be a right to receive payments of the Scheduled Interest and the Scheduled Principal from the Guarantor on the Scheduled Due for Payment Date. In consideration of the substitution of the Guarantor in the performance of the payment obligations of the Issuer under the Covered Bonds, the Guarantor (directly or through the Representative of the Covered Bondholders) shall be subrogated in the rights of the Covered Bondholders *vis-à-vis* the Issuer and shall exercise, on an exclusive basis and, to the extent applicable, in compliance with the provisions of article 7-*quaterdecies* of the Law 130, the rights of the Covered Bondholders *vis-à-vis* the Issuer. Any amount so recovered from the Issuer shall form part of the Available Funds.

As a result and as expressly indicated in the Conditions, the Representative of the Covered Bondholders (on behalf of the Covered Bondholders) has irrevocably delegated – also in the interest and for the benefit of the Guarantor – to the Guarantor the exclusive right to proceed against the Issuer and to demand performance by the Issuer of any of its payment obligations under the Covered Bonds, including any right to enforce any acceleration of payment against the Issuer provided under the Conditions or under applicable laws and regulations.

For the purposes of the Covered Bond Guarantee:

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

"**Due for Payment Date**" means the date on which the Guarantor Default Notice is served on the Guarantor. If the Due for Payment Date is not a Business Day, the date determined in accordance with the Business Day Convention specified as applicable in the relevant Final Terms.

"**Final Redemption Amount**" means, with respect to a Pass Through Series or Series of Covered Bond, the amount specified in, or determined in the manner specified in, the applicable Final Terms.

"**Guaranteed Amounts**" means (i) (i) following the service of a Notice to Pay but prior to the service of a Breach of Amortisation Test Notice or the service of a Guarantor Default Notice, with respect to any Scheduled Due for Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Scheduled Due for Payment Date, and (ii) following the service of a Breach of the Amortisation Test Notice on the Guarantor but prior to the service of a Guarantor Default Notice, with respect to any Scheduled Due for Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Scheduled Due for Payment Date or (iii) after the service of a Guarantor Default Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds on the Due for Payment Date, including all Additional Scheduled Interest Amounts and all Additional Scheduled Principal Amounts (whenever the same arose) and any other amount payable by the Guarantor under the Covered Bonds provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or Extended Maturity Date, as the case may be) shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was paid by or on behalf of the Issuer to the Covered Bondholders to the extent it has been clawed back and recovered from the Covered Bondholders by the receiver, conservator, debtor-in-possession or trustee in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the "**Clawed Back Amounts**").

"**Order**" means a final, non-appealable judicial decision, ruling or award from a court of competent jurisdiction.

"**Scheduled Due for Payment Date**" means:

(i) (i) each Scheduled Payment Date in respect of the relevant Guaranteed Amounts, and (ii) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default and if the relevant Notice to Pay has been served on any CB Payment Date or within two Business Days after any CB Payment Date, the day which is seven Business Days after such CB Payment Date;

(ii) if the relevant Series of Covered Bonds has become a Pass Through Series, such CB Payment Date(s) as specified in the relevant Final Terms and provided that the final Maturity Date of the relevant Pass Through Series shall be the Extended Maturity Date; or

(iii) after the occurrence of a breach of the Amortisation Test and service of a Breach of the Amortisation Test Notice on the Guarantor and provided that all the outstanding Series of Covered Bonds have become Pass Through Series, such CB Payment Date(s) as specified in the relevant Final Terms and provided that the final Maturity Date of all outstanding Pass Through Series shall be the Extended Maturity Date.

"**Scheduled Interest**" means an amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each CB Payment Date as specified in the Conditions and the applicable Final Terms falling on or after service of a Notice to Pay on the Guarantor and, where applicable after the Maturity Date, such other amounts of interest as may be specified in the relevant Final Terms, in each case less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made in the circumstances set out in the Conditions. The Scheduled Interest shall: (i) prior to the service of a Guarantor Default Notice, exclude any additional amounts relating to premiums, default interest or interest upon interest payable by the Issuer following the service of a Notice to Pay (the "**Additional Scheduled Interest Amounts**"); and (ii) after the service of a Guarantor Default Notice, include such Additional Scheduled Interest Amounts (whenever the same arose) had the Covered Bonds not become due and repayable prior to their Maturity Date or Extended Maturity Date (if so specified in the relevant Final Terms).

"**Scheduled Payment Date**" means, in relation to payments under the Covered Bond Guarantee, each CB Payment Date.

"**Scheduled Principal**" means an amount equal to the amount in respect of principal which would have been due and payable under the Covered Bonds on each CB Payment Date or the Maturity Date (as the case may be) as specified in the Conditions and the applicable Final Terms. The Scheduled Principal shall: (i) prior to the service of a Guarantor Default Notice, exclude any additional amount relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable by the Issuer following the service of a Notice to Pay (the "**Additional Scheduled Principal Amounts**"); and (ii) after the service of a Guarantor Default Notice, include such Additional Scheduled Principal Amounts (whenever the same arose) had the Covered Bonds not become due and repayable prior to their Maturity Date or, if the Final Terms specifies that an Extended Maturity Date is applicable to such relevant Series, such Extended Maturity Date.

"**Suspension Period**" means the period of time starting from the date on which a resolution pursuant to article 74 of the Banking Act is passed in respect of the Issuer and ending on the date on which the Representative of the Covered Bondholders serves an Article 74 Event Cure Notice to the Issuer and the Guarantor, informing such parties that the Article 74 Event has been cured, during which the Guarantor, in accordance with Law 130, shall be responsible for the payments of the Guaranteed Amounts that falls due and payable during such period.

Governing law

The Covered Bond Guarantee, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Corporate Services Agreement

Pursuant to a corporate services agreement entered into on or about the Initial Issue Date, as subsequently amended (the "**Corporate Services Agreement**"), the Corporate Servicer has agreed to provide the Guarantor with certain corporate, administrative and accounting services, including the keeping of the corporate books and of the accounting and tax registers.

Governing law

The Corporate Services Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Intercreditor Agreement

Under the terms of an intercreditor agreement entered into on or about the Initial Issue Date, as subsequently amended, (the "**Intercreditor Agreement**") among the Guarantor, the Representative of the Covered Bondholders (in its own capacity and as legal representative of the Covered Bondholders), the Issuer, BPER in any capacity, the Corporate Servicer, the Investment Agent, the Account Bank, the Back-up Account Bank, the Subsequent Paying Agent, the Primary Paying Agent, the Swap Counterparties, the Cash Manager, the Asset Monitor, the Guarantor Calculation Agent, the Back-up Servicer Facilitator and the Calculation Agent (with the exception of the Guarantor, the "**Secured Creditors**"), the parties agreed that all the Available Funds of the Guarantor will be applied in or towards satisfaction of the Guarantor's payment obligations towards the Covered Bondholders, as well as the other Secured Creditors, in accordance with the relevant Priorities of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the Covered Bondholders will, subject to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice, ensure that all the Available Funds are applied in or towards satisfaction of the payment obligations towards the Covered Bondholders, as well as the other Secured Creditors, in accordance with, respectively, the Post-Breach of Amortisation Test Priority of Payments and the Post-Guarantor Event of Default Priority of Payments provided in the Intercreditor Agreement.

The obligations owed by the Guarantor to each of the Covered Bondholders and each of the other Secured Creditors will be limited recourse obligations of the Guarantor. The Covered Bondholders and the other Secured Creditors will have a claim against the Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents.

Pursuant to the Intercreditor Agreement, the Guarantor and each of the Secured Creditors have irrevocably agreed that, upon all the Covered Bonds becoming due and payable following the service of a Guarantor Default Notice, the Representative of the Covered Bondholders will be authorised (a) to carry out the activities provided by the Cover Pool Administration Agreement following the service of a Guarantor Default Notice and (b) to exercise, in the name and on behalf of the Guarantor and as a *mandatario con rappresentanza* of the Guarantor, also in the interest and for the benefit of the other Secured Creditors (according to Article 1723, paragraph 2, and Article 1726 of the Italian Civil Code), any and all of the Guarantor's Rights, including, without limitation, the right to give instructions, under each relevant Transaction Document, to each of the Back-up Account Bank, the Account Bank, the Cash Manager, the Sellers, the Subordinated Loan Providers, the Servicer, the Guarantor Calculation Agent, the Investment Agent, the Subsequent Paying Agent, the Corporate Servicer, the Back-up Servicer Facilitator and any other Secured Creditors. The Representative of the Covered Bondholders shall not incur any liability as a result of its taking any action or failing to take any action in accordance with such mandate, except in the case of its wilful misconduct or gross negligence (*dolo o colpa grave*).

Pursuant to the Intercreditor Agreement, the Issuer will publish, on its website and at least on a quarterly basis, a report containing information on the Programme as required by, article 7-*septiesdecies* of Law 130 and Section V of the BoI Regulations.

"**Guarantor's Rights**" means the Guarantor's right, title and interest in and to the Cover Pool, any rights that the Guarantor has under the Transaction Documents and any other rights that the Guarantor has against any Secured Creditors (including any applicable guarantors or successors) or third parties in connection with the Programme.

Governing law

The Intercreditor Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Cash Management and Agency Agreement

On or about the Initial Issue Date the Guarantor, the Cash Manager, the Account Bank, the Back-up Account Bank, the Primary Paying Agent, the Subsequent Paying Agent, the Investment Agent, the Servicer, the Corporate Servicer, the Calculation Agent, the Guarantor Calculation Agent and the Representative of the Covered Bondholders entered into a cash management and agency agreement, as subsequently amended, (the "**Cash Management and Agency Agreement**"), pursuant to which each of the Account Bank, the Back-up Account Bank, the Cash Manager, the Primary Paying Agent, the Subsequent Paying Agent, the Investment Agent, the Servicer, the Corporate Servicer, the Guarantor Calculation Agent and the Calculation Agent has undertaken to provide the Guarantor with certain calculation, notification and reporting services, together with account handling and cash management services in relation to moneys from time to time standing to the credit of the Accounts.

Pursuant to the Cash Management and Agency Agreement:

(a) 5 (five) Business Days after the end of the Calculation Period or any other date on which the Tests are to be performed and/or the Liquidity Buffer Target Amount, the Exposure Limit and the Minimum OC Requirement are to be verified pursuant to the Transaction Documents, as the case may be, the Account Bank will provide, *inter alia,* the Guarantor with a report together with account handling services in relation to moneys from time to time standing to the credit of the Accounts;

(b) the Guarantor Calculation Agent will, *inter alia,* calculate the amounts to be disbursed on the following Guarantor Payment Date (including, if any, amounts due to, respectively, BPER pursuant to the BPER Subordinated Loan Agreement and the Additional Sellers (if any) pursuant to the Additional Subordinated Loan Agreements) pursuant to the relevant Priority of Payments and will prepare and deliver to, *inter alios*, the Guarantor and the Cash Manager payments report to that effect (the "**Payments Report**");

(c) upon the service of a Guarantor Default Notice by the Representative of the Covered Bondholders, the Guarantor Calculation Agent will on the relevant Calculation Date or upon the request of the Representative of the Covered Bondholders, calculate the amount of the Available Funds, the Eligible Investments and the amounts of each of the payments and allocations to be made by the Guarantor in accordance with the Intercreditor Agreement and will, prepare and deliver to, *inter alios*, the Representative of the Covered Bondholders a report to that effect (the "**Post-Acceleration Report**");

(d) the Guarantor Calculation Agent will provide, *inter alia,* the Guarantor with an investors report (the "**Investor Report**") which will set out certain information with respect to the Cover Pool and the Covered Bonds; the Investor Report will be fully available at the Guarantor Calculation Agent web site no later than five Business Days following each Guarantor Payment Date;

(e) the Primary Paying Agent will make the payments due on the Covered Bonds prior to the service of a Notice to Pay and at any time thereafter if such Notice to Pay has been otherwise revoked in accordance with the Conditions and the other Transaction Documents; and

(f) after the service of a Notice to Pay and for so long as such Notice to Pay has not been otherwise revoked in accordance with the Conditions and the other Transaction Documents, the Subsequent Paying Agent will make the payments due on the Covered Bonds.

Account Bank

The Collection Account, the Payments Account, the Cash Reserve Account, the Commingling Account, the Investment Account, the Securities Account, the Swap Collateral Account, the Liquidity Buffer Account (if any) and the Liquidity Buffer Securities Account (if any) have been opened and will be opened, as the case may be, in the name of the Guarantor and shall be operated by the Account Bank, and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Management and Agency Agreement.

The Expenses Account and the Quota Capital Account shall be operated by any bank as selected by the Corporate Servicer and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Management and Agency Agreement.

The Account Bank shall, on behalf of the Guarantor, maintain or ensure that records in respect of all the Accounts are maintained and such records will, on each Calculation Date and/or Monthly Calculation Date, as the case may be, show separately: (i) the balance of each of the Accounts, respectively, as of the close of business of the last day of the relevant Calculation Period; (ii) the total interest accrued and paid on the Accounts, respectively, as of the close of business of the last day of the relevant Calculation Period; and (iii) details of all amounts or securities credited to, and transfers made from, each of the Accounts, respectively, in the course of the immediately preceding Collection Period. The Account Bank will inform the Guarantor and/or the Representative of the Covered Bondholders, upon their request, about the balance of those of the Accounts which are held with it.

Pursuant to the Cash Management and Agency Agreement, the Cash Manager, the Subsequent Paying Agent, the Account Bank shall always qualify as an Eligible Institution, and failure to so qualify shall constitute a termination event thereunder.

Investment Agent

During each Collection Period, the Investment Agent may instruct the Account Bank and the Cash Manager to invest on behalf of the Guarantor funds standing to the credit of the Investment Account in Eligible Investments which have the requisite maturity date, and any return generated thereby, and principal thereof, will be transferred to the Investment Account, and will form part of the Available Funds on the immediately following Guarantor Payment Date.

Subject to compliance with the definition of Eligible Investments and the other restrictions set out in the Cash Management and Agency Agreement, the Investment Agent shall have absolute discretion as to the types and amounts of Eligible Investments which it may acquire and as to the terms on which, through whom and on which markets, any purchase of Eligible Investments may be effected.

Guarantor Calculation Agent

On or prior to the Investor Report Date the Guarantor Calculation Agent shall prepare and deliver to, *inter alios,* the Issuer, the Representative of the Covered Bondholders, the Guarantor, the Servicer, the Corporate Servicer and the Rating Agency, the Investor Report setting out certain information with respect to the Cover Pool and the Covered Bonds.

On each Payments Report Date, the Guarantor Calculation Agent will calculate the amounts to be disbursed on the following Guarantor Payment Date pursuant to the relevant Priority of Payments and will prepare and submit to the Guarantor, the Calculation Agent, the Cash Manager, the Representative of the Covered Bondholders, the Subsequent Paying Agent, the Primary Paying Agent, the Servicer, the Swap Counterparties, the Account Banks and the Corporate Servicer the relevant Payments Report. The Payments Report will set out the Available Funds and payments to be made on the immediately succeeding Guarantor Payment Date in accordance with the applicable Priorities of Payments. Such Payments Report will be available for inspection during normal business hours at the registered office of the Luxembourg Listing Agent.

Prior to the occurrence of an Issuer Event of Default and the service of a Notice to Pay on the Guarantor, if the Servicer fails to provide the Servicer Report pursuant to clause 17.1.2 of the Cash Management and Agency Agreement the Guarantor Calculation Agent will be entitled to assume that all amounts collected during the immediately preceding Collection Period fall within the definition of Interest Available Funds and that such amounts shall be applied to make payments under item (i) to item (v) (included) of the Pre-Issuer Event of Default Interest Priority of Payments. Any amount that will not be used and applied in accordance with the relevant Priority of Payments on each Guarantor Payment Date shall remain credited onto the Payments Account and shall be considered as Available Funds and applied on the immediately following Guarantor Payment Date.

Upon the occurrence of an Issuer Event of Default and the service of a Notice to Pay on the Guarantor, if the Servicer fails to provide the Servicer Report pursuant to clause 17.1.2 of the Cash Management and Agency Agreement the Guarantor Calculation Agent will be entitled to assume that all amounts collected during the immediately preceding Collection Period fall within the definition of Available Funds and that such amounts shall be applied to make payments under the relevant Priority of Payments.

Upon the service of a Guarantor Default Notice by the Representative of the Covered Bondholders, the Guarantor Calculation Agent shall, on the relevant Calculation Date or upon the request of the Representative of the Covered Bondholders, calculate the amount of the Available Funds, the Eligible Investments and the amounts of each of the payments and allocations to be made by the Guarantor in accordance with the Intercreditor Agreement and will prepare and submit the Post-Acceleration Report to, *inter alios*, the Representative of the Covered Bondholders, each of the Secured Creditors, the Issuer and the Rating Agency as soon as reasonably practicable following the date of request for its production and, in any event, no later than five Business Days following such request.

"**Payments Report Date**" means five Business Days following each Calculation Date.

"**Investor's Report Date**" means five Business Days following each Guarantor Payment Date.

Cash Manager

On each Guarantor Payment Date, the Cash Manager shall, subject to the provisions of the Cash Management and Agency Agreement, execute the payment instructions stated by the Guarantor Calculation Agent and shall allocate the amounts standing on the Accounts according to the relevant Priority of Payments on the basis of the Payments Report or the Post-Acceleration Report (as applicable).

Calculation Agent

The Calculation Agent will prepare the Test Performance Reports, subject to receipt by it of reports from the Servicer, the Cash Manager, the Account Banks and the Corporate Servicer.

Primary Paying Agent

Prior to the service of a Notice to Pay and at any time thereafter if such Notice to Pay has been otherwise revoked in accordance with the Conditions and the other Transaction Documents, the Primary Paying Agent will make payments of principal and interest in respect of the Covered Bonds on behalf of the Issuer in accordance with the Conditions, the relevant Final Terms, the Cash Management and Agency Agreement and the rules and procedures of Monte Titoli.

Subsequent Paying Agent

After the service of a Notice to Pay and for so long as such Notice to Pay has not been otherwise revoked in accordance with the Conditions and the other Transaction Documents, the Subsequent Paying Agent shall make payments of principal and interest in respect of the Covered Bonds on behalf of the Guarantor in accordance with the Covered Bond Guarantee, the Conditions, the relevant Final Terms, the Cash Management and Agency Agreement and the rules and procedures of Monte Titoli.

Termination

Upon the occurrence of certain events, including the Account Banks, the Cash Manager or the Subsequent Paying Agent ceasing to qualify as Eligible Institutions, either the Representative of the Covered Bondholders or the Guarantor, provided that (in the case of the Guarantor) the Representative of the Covered Bondholders consents in writing to such termination, may terminate the appointment of any Agent, as the case may be, under the terms of the Cash Management and Agency Agreement.

Governing law

The Cash Management and Agency Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

The opening and managing provisions concerning the Investment Account, the Securities Account and the Swap Collateral Account(s), if any, (and the duties of the Account Bank in respect thereof) and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, English law.

Cover Pool Administration Agreement

On or about the Initial Issue Date, the Guarantor, the Issuer, the Calculation Agent, the Guarantor Calculation Agent, the Asset Monitor and the Representative of the Covered Bondholders have entered into a cover pool administration agreement, as subsequently amended (the "**Cover Pool Administration Agreement**"). Pursuant to the Cover Pool Administration Agreement, the Issuer, also in its capacity as Initial Seller and the Guarantor have undertaken certain obligations for the replenishment of the Cover Pool in order to cure a breach of the Tests or the Liquidity Buffer Target Amount or miscalculation of the Exposure Limit or of a breach of the Minimum OC Requirement (as described in detail in the section headed *"Credit structure – Tests"* below).

Under the Cover Pool Administration Agreement, the Issuer (also in its capacity as Initial Seller) and the Additional Sellers (if any) shall procure on an ongoing basis (and, without prejudice of the OBG Regulations, such obligation shall be deemed to be complied with if the tests are satisfied on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant tests are to be carried out pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be) and until the Programme Termination Date that the Mandatory Test (as described in detail in the section headed "*Credit structure – Tests*" below) is met with respect to the Cover Pool.

Starting from the Issue Date of the first Series of Covered Bonds and until the earlier of:

(a) 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 the Conditions and the Final Terms; and

(b) the date on which a Notice to Pay is served on the Guarantor,

the Issuer (also in its capacity as Initial Seller) and any Seller shall procure that on any Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, that the Asset Coverage Test (as defined in the section headed "*Credit structure – Tests*"*)* is met.

For so long as the Covered Bonds remain outstanding, the Issuer shall procure on a continuing basis and on each Calculation Date that the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the Liquidity Buffer Target Amount (as defined in the section headed "*Credit structure – Tests*").

For so long as any Series of Covered Bonds remains outstanding, the Issuer (also in its capacity as Initial Seller) and any Additional Seller will ensure that, following the service of a Notice to Pay (but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice), on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the relevant Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, that the Amortisation Test (as defined in the section headed "*Credit structure – Tests*") is met.

The Calculation Agent, on the basis of the information provided to it pursuant to the Transaction Documents, shall verify the compliance, on a continuous basis, with the Mandatory Tests on each Calculation Date and/or Monthly Calculation Date and/or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents, it being understood that calculation of the Mandatory Tests shall be performed consistently with the provisions set out in article 7-*undecies*, paragraph 2 of Law 130.

The Calculation Agent shall also verify, prior to the service of a Notice to Pay, that the Asset Coverage Test is met as of the date specified in the Cover Pool Administration Agreement and, following the service of a Notice to Pay, that the Amortisation Test (as defined in the section headed "*Credit structure – Tests*") is met.

Moreover, for so long as any Series of the Covered Bonds remain outstanding the Calculation Agent shall verify – on the basis of the information made available to it in accordance with the Transaction Documents – that (a) the Liquidity Buffer Target Amount is met on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Liquidity Buffer Target Amount is to be met pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents and (b) the Exposure Limit has been correctly calculated on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Exposure Limit is to be verified pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be.

The Calculation Agent shall also verify (i) prior to occurrence of an Issuer Event of Default and service of a Notice to Pay on the Issuer and the Guarantor, the Calculation Agent, that the Minimum OC Requirement is met as part of the Nominal Value Test and (ii) following the service of a Notice to Pay on the Issuer and the Guarantor (but prior to the service of an Acceleration Notice on the Guarantor), in addition to the Amortisation Test being met in accordance with the Cover Pool Administration Agreement, that the Minimum OC Requirement is met on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the calculation of the Minimum OC Requirement is to be met pursuant to the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be.

The Calculation Agent has agreed to prepare and deliver, on each Calculation Date and/or Monthly Calculation Date and/or on any other day on which the Test Performance Report is to be delivered pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, to the Issuer, the Guarantor, the Sellers, the Swap Counterparties, the Guarantor, the Calculation Agent, the Representative of the Covered Bondholders, the Cash Manager, the Rating Agency and the Asset Monitor, a report setting out the calculations carried out by it with respect of the Tests (the "**Test Performance Report**"). Such report shall specify the occurrence of a breach of the Mandatory Tests and/or the Liquidity Buffer Target Amount and/or the Exposure Limit and, if applicable, the Asset Coverage Test and/or the Amortisation Test and/or the Minimum OC Requirement.

Following the notification by the Calculation Agent, in the relevant Test Performance Report, of a breach of any Test, the Guarantor shall, prior to the occurrence of an Issuer Event of Default, to any possible extent use the Available Funds to purchase Subsequent Portfolios in order to cure the relevant Test. To the extent the Available Funds are not sufficient, the Issuer shall sell to the Guarantor Subsequent Portfolios, in an amount sufficient to permit to satisfy the Tests on the next following Monthly Calculation Date. Failing the Issuer to cure the Tests, any Additional Seller (if any) shall sell, and the Guarantor shall purchase, as soon as possible, sufficient Subsequent Portfolios. If the Tests are not satisfied on the immediately following Monthly Calculation Date, the Representative of the Covered Bondholders will serve a notice (the "**Breach of Tests Notice**") on the Issuer and the Guarantor.

If, following the delivery of a Breach of Tests Notice, the relevant Tests are not satisfied on or before the immediately following Monthly Calculation Date, the Representative of the Covered Bondholders may at its sole discretion, and shall, if so directed by an Extraordinary Resolution of the Meeting of the Organisation of the Covered Bondholders, serve a Notice to Pay on the Issuer and the Guarantor.

Sale of Selected Assets following the service of a Notice to Pay

Following the service of a Notice to Pay on the Issuer and the Guarantor (but prior to the service of a Breach of the Amortisation Test Notice on the Guarantor or the service of a Guarantor Default Notice on the Guarantor), the Guarantor shall (only if necessary in order to effect timely payments under the Covered Bonds) direct – in the date falling (i) within 30 calendar days after the service of a Notice to Pay on the Issuer and the Guarantor following a non-payment referred to under Condition 11 (*Events of Default*) or (ii) in any other case of a service of a Notice to Pay on the Issuer and the Guarantor other than for a non-payment, six months prior to the Maturity Date of the Earliest Maturing Covered Bonds (the Sale Date) – the Servicer to sell the Receivables and/or the Integration Assets and/or the Liquid Assets included in the Cover Pool, other than Eligible Deposits, in accordance with the provisions of the Cover Pool Administration Agreement, subject to the pre-emption right of the relevant Seller pursuant to the relevant Master Transfer Agreement. The proceeds from any such sale shall be credited to the Payments Account and applied as set out in the applicable Priority of Payments.

The Guarantor shall, through a tender process, appoint a bank or investment company or an auditing firm of a recognised standing, with a long experience in the management, sale and/or financing of portfolio of receivables, to act as cover pool manager (the Cover Pool Manager), on a basis intended to incentivise the Cover Pool Manager to achieve the best price for the sale of the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits (if such terms are commercially available in the market), and to advise it in relation to the sale of Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits (except where the relevant Seller is buying the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool pursuant to its pre-emption rights under the relevant Master Transfer Agreement in accordance with the provisions of the Cover Pool Administration Agreement). The terms of the agreement giving effect to the appointment of the Cover Pool Manager in accordance with such tender shall be approved in writing by the Representative of the Covered Bondholders. The instructions given to the Cover Pool Manager will be in line with the provisions of the Cover Pool Administration Agreement and will include the duty to prepare and send to the Rating Agency a business plan containing any relevant information on the sale of assets performed by it pursuant to the provisions of the Cover Pool Administration Agreement. The Servicer will be required to comply with the directions given by the Cover Pool Manager. Upon its appointment, the Cover Pool Manager shall accede to the Intercreditor Agreement, undertaking all the applicable obligations provided therein.

Before offering Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) for sale in accordance with the Cover Pool Administration Agreement, the Guarantor shall ensure that the assets to be offered for sale (the Selected Assets): (i) have been selected from the Cover Pool on a Random Basis; (ii) no more Selected Assets will be selected than it is necessary to raise disposal proceeds as close as possible but in any case higher than the Adjusted Required Redemption Amount (as defined below) of the Pass Through Series of Covered Bonds and the Earliest Maturing Covered Bonds in a total amount calculated in accordance to the following formula:

$$\text{Adjusted Required Redemption Amount} \times \frac{\text{Outstanding Principal Balance of the Receivables and Integration Assets and Liquid Assets included in the Cover Pool (other than Eligible Deposits)}}{\text{Outstanding Principal Balance of the Covered Bonds then outstanding}}$$

For the purposes of the formula above:

Adjusted Required Redemption Amount means an amount equal to:

i. the Required Redemption Amount of the relevant Pass Through Series or Series of Covered Bonds; *plus* or *minus*

ii. any swap termination amounts payable under the relevant Swap Agreements by the Guarantor to the relevant Swap Counterparty/ies (to the extent that they rank in priority or *pari passu* to the Covered Bonds) or by the relevant Swap Counterparty/ies to the Guarantor, respectively; *minus*

iii. the amounts standing to the credit of the Accounts without duplication with the Euro Equivalent of the Outstanding Principal Balance of any Integration Assets, Liquid Assets and/or Eligible Investments, without double counting any securities, monies or other amounts which is comprised in the Selected Assets; *plus*

iv. all amounts to be applied on the next following Guarantor Payment Dates, up until the Maturity Date of the Earliest Maturing Covered Bonds, to repay amounts ranking in priority or *pari passu* to the amounts to be paid on the Earliest Maturity Covered Bonds in accordance with the Post-Issuer Event of Default Priority of Payments.

Required Redemption Amount means, (a) in respect of a Series of Covered Bonds, the sum of the Outstanding Principal Balance of the relevant Series Covered Bonds and the product of (i) the weighted average remaining maturity of the relevant Series of Covered Bonds expressed in days and divided by 365, (ii) the Euro Equivalent amount of the Outstanding Principal Balance of the relevant Series Covered Bonds, and (iii) Negative Carry Factor * 0,50; (b) in respect of a Pass Through Series of Covered Bonds, the Outstanding Principal Balance of such Pass Through Series of Covered Bonds.

The sale of the Selected Assets will be executed provided that:

(a) prior to and following the sale of such Selected Assets the Amortisation Test is complied with; and

(b) the proceeds of the sale of the Selected Assets are equal to or higher than the Adjusted Required Redemption Amount of the Pass Through Series of Covered Bonds and the Earliest Maturing Covered Bonds.

If the sale of the Selected Assets has not been executed by the first Sale Date, then the Guarantor shall repeat its attempt to sale the Selected Asset, ensuring that the Initial Seller or any Additional Seller (if any) will have the right to exercise its pre-emption right in accordance with the relevant Master Transfer Agreement, starting from the date falling six months after the first Sale Date and thereafter every sixth months until the earlier of (i) the date of which a breach of the Amortisation Test occurred (in which case the provisions under the Cover Pool Administration Agreement), (ii) the service of a Guarantor Default Notice occurred (in which case the provisions under the Cover Pool Administration Agreement), (iii) the date on which all the Covered Bonds have been redeemed in full or cancelled in accordance with the Conditions and the relevant Final Terms, (iv) the Extended Maturity Date.

At the Extended Maturity Date unless all the Covered Bonds have been redeemed in full or cancelled in accordance with the Conditions and the relevant Final Terms, the Guarantor shall (so authorised by means of execution of the Cover Pool Administration Agreement), direct the Cover Pool Manager, who could liaise with the Servicer, to immediately sale the Selected Assets at the best price reasonably obtainable taking into account the market conditions at that time ensuring that the Initial Seller or any Additional Seller (if any) will have the right to exercise its pre-emption right in accordance with the relevant Master Transfer Agreement.

With respect to any sale of Selected Assets, the Guarantor may assign to the purchaser of Selected Assets or terminate, if so requested by the purchaser(s), all or part of its rights under any relevant Mortgage Pool Swap, subject to (i) the relevant provisions of the relevant Swap Agreement, (ii) the consent of the Representative of the Covered Bondholders and (iii) confirmation by Moody's that any such assignment or termination will not adversely affect the then current ratings of the relevant Covered Bonds.

Sale of Selected Assets following the service of a Breach of Amortisation Test Notice

Following the service of a Breach of the Amortisation Test Notice on the Guarantor (but prior to the service of a Guarantor Default Notice on the Guarantor), the Guarantor and/or the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor, direct the Cover Pool Manager, who could liaise with the Servicer, to immediately sell Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) in accordance with the provisions of the Cover Pool Administration Agreement, subject to any pre-emption right of the Initial Seller or any Additional Seller (if any) pursuant to the relevant Master Transfer Agreement. The proceeds of any such sale shall be credited to the Payments Account and applied in accordance with the relevant Priority of Payments.

The Guarantor and/or the Representative of the Covered Bondholders shall, through a tender process, appoint a Cover Pool Manager, on a basis intended to incentivise the Cover Pool Manager to achieve the best price for the sale of the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits (if such terms are commercially available in the market), and to advise them in relation to the sale of Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits (except where the relevant Seller is buying the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool pursuant to its pre-emption rights under the relevant Master Transfer Agreement in accordance with the provisions of the Cover Pool Administration Agreement).

To avoid any doubt, provided that after the service of a Breach of Amortisation Test Notice all the outstanding Series of Covered Bonds have become Pass Through Series of Covered Bonds, the sale of the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) will be executed ensuring that the assets to be offered for sale (the Selected Assets After the Service of a Breach of Amortisation Test Notice) (i) have been selected from the Cover Pool on a Random Basis; (ii) no more Selected Assets After the Service of a Breach of Amortisation Test Notice will be selected than it is necessary to raise disposal proceeds as close as possible but in any case higher than:

i. the Outstanding Principal Balance of any outstanding Pass Through Series of Covered Bonds; *plus* or *minus*

ii. any swap termination amounts payable under the relevant Swap Agreements by the Guarantor to the relevant Swap Counterparty/ies (to the extent that they rank in priority or *pari passu* to the Covered Bonds) or by the relevant Swap Counterparty/ies to the Guarantor, respectively; *minus*

iii. the amounts standing to the credit of the Accounts without duplication with the Euro Equivalent of the Outstanding Principal Balance of any Integration Assets, Liquid Assets and Eligible Investments, without double counting any securities, monies or other amounts which is comprised in the Selected Assets After the Service of a Breach of Amortisation Test Notice.

If the sale of the Selected Assets After the Service of a Breach of Amortisation Test Notice could not be immediately executed according to the provisions of the Cover Pool Administration Agreement – being such a sale date defined as the Sale Date After the Service of a Breach of Amortisation Test Notice – then the Guarantor and/or the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor, direct the Cover Pool Manager, who could liaise with the Servicer to repeat its attempt to sale the Selected Assets After the Service of a Breach of Amortisation Test Notice, ensuring that the Initial Seller or any Additional Seller (if any) will have the right to exercise its pre-emption right in accordance with the relevant Master Transfer Agreement, starting from the date falling six months after the first Sale Date After the Service of a Breach of Amortisation Test Notice and thereafter every sixth months until the earlier of (i) the service of a Guarantor Default Notice on the Guarantor occurred, (ii) the date on which all the Covered Bonds have been redeemed in full or cancelled in accordance with the Conditions and the relevant Final Terms, (iii) the Extended Maturity Date.

At the Extended Maturity Date unless all the Covered Bonds have been redeemed in full or cancelled in accordance with the Conditions and the relevant Final terms, the Guarantor and/or the Representative of the

Covered Bondholders shall, in the name and on behalf of the Guarantor (so authorised by means of execution of the Cover Pool Administration Agreement), direct the Cover Pool Manager, who could liaise with the Servicer, to immediately sale the Selected Assets After the Service of a Breach of Amortisation Test Notice at the best price reasonably obtainable taking into account the market conditions at that time ensuring that the Initial Seller or any Additional Seller (if any) will have the right to exercise its pre-emption right in accordance with the relevant Master Transfer Agreement.

With respect to any sale of Selected Assets After the Service of a Breach of Amortisation Test Notice, the Representative of the Covered Bondholders, in the name and on behalf of the Guarantor, may assign to the purchaser of Selected Assets After the Service of a Breach of Amortisation Test Notice or terminate, if so requested by the purchaser(s), all or part of its rights under any relevant Mortgage Pool Swap, subject to the relevant provisions of the relevant Swap Agreement.

Sale of Selected Assets following the service of a Guarantor Default Notice

Following the service of a Guarantor Default Notice on the Guarantor, the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor (so authorised by means of execution of the Cover Pool Administration Agreement), instruct the Cover Pool Manager to use all reasonable endeavours to procure that all Receivables and/or the Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) will be sold as quickly as reasonably practicable and for the best price reasonably obtainable in each case taking into account the market conditions at that time, subject to any pre-emption right of the Initial Seller or any Additional Seller (if any) pursuant to the relevant Master Transfer Agreement. The proceeds of any such sale shall be credited to the Payments Account and applied in accordance with the relevant Priority of Payments.

The Representative of the Covered Bondholders shall, through a tender process, appoint a Cover Pool Manager, on a basis intended to incentivise the Cover Pool Manager to achieve the best price for the sale of the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits (if such terms are commercially available in the market), and to advise it in relation to the sale of Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits (except where the relevant Seller is buying the Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool pursuant to its pre-emption rights under the relevant Master Transfer Agreement in accordance with the provisions of the Cover Pool Administration Agreement). The instructions given to the Cover Pool Manager will be in line with the provisions of the Cover Pool Administration Agreement. The Servicer will be required to comply with the directions given by the Cover Pool Manager. Upon its appointment, the Cover Pool Manager shall accede to the Intercreditor Agreement, undertaking all the applicable obligations provided therein.

With respect to any sale of Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool, other than Eligible Deposits, the Representative of the Covered Bondholders, in the name and on behalf of the Guarantor, may assign to the purchaser of Receivables and/or Integration Assets and/or Liquid Assets included in the Cover Pool or terminate, if so requested by the purchaser(s), all or part of its rights under any relevant Mortgage Pool Swap, subject to the relevant provisions of the relevant Swap Agreement.

Governing law

The Cover Pool Administration Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Quotaholders' Agreement

On or about the Initial Issue Date, the Guarantor, the Issuer and SVM Securitisation Vehicles Management S.r.l. entered into a quotaholders' agreement, as subsequently amended (the "**Quotaholders' Agreement**") containing provisions and undertakings in relation to the management of the Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM Securitisation Vehicles Management S.r.l. has granted a call option in favour of the Issuer to purchase from SVM Securitisation Vehicles Management S.r.l. and the Issuer has granted a put option in favour of SVM Securitisation Vehicles Management S.r.l. to sell to the Issuer the quota of the Guarantor quota capital held by SVM Securitisation Vehicles Management S.r.l..

Governing law

The Quotaholders' Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Programme Agreement

On or about the Initial Issue Date, the Issuer, the Guarantor, the Representative of Covered Bondholders, the Arranger and the Initial Dealer entered into a programme agreement, as subsequently amended (the "**Programme Agreement**"), which contains certain arrangements under which the Covered Bonds may be issued and sold, from time to time, by the Issuer to any one or more Dealers.

Under the Programme Agreement, the Issuer and the Dealer(s) have agreed that any Covered Bonds of any Series or Tranche 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. Unless otherwise agreed, neither the Issuer nor any Dealer(s) is, are or shall be, in accordance with the terms of the Programme Agreement, under any obligation to issue or subscribe for any Covered Bonds of any Series or Tranche.

Under the Programme Agreement, the Initial Dealer has appointed the Representative of the Covered Bondholders, which appointment has been confirmed by the Issuer and the Guarantor.

The Issuer and the Guarantor, as the case may be, will indemnify the Dealers for costs, liabilities, charges, expenses and claims incurred by or made against the Dealers arising out of, in connection with or based on, breach of duty or misrepresentation by the Issuer and the Guarantor.

The Programme Agreement contains provisions relating to the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other dealers acceding as new dealer: (a) generally in respect of the Programme; or (b) in relation to a particular issue of Covered Bonds.

The Programme Agreement contains stabilising and market-making provisions.

Pursuant to the Programme Agreement, the Issuer and the Guarantor have given certain representations and warranties to the Dealers in relation to, *inter alia,* themselves and the information given by them in connection with this Base Prospectus.

Governing law

The Programme Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Subscription Agreement

The Programme Agreement also contains the pro forma of the Subscription Agreement to be entered into in relation to the syndicated issue of Covered Bonds.

On or prior to the relevant Issue Date, the Issuer and the Dealers who are parties to such Subscription Agreement (the "**Relevant Dealers**") will enter into a subscription agreement under which the Relevant Dealers will agree to subscribe for the relevant tranche of Covered Bonds, subject to the conditions set out therein.

Under the terms of the Subscription Agreement, the Relevant Dealers will confirm the appointment of the Representative of the Covered Bondholders.

Governing law

The Subscription Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

English Law Deed of Charge and Assignment

On or about the Initial Issue Date, the Guarantor has executed a deed of charge (the "**English Law Deed of Charge and Assignment**") pursuant to which the Guarantor has granted in favour of the Representative of the Covered Bondholders for itself and as trustee for the Covered Bondholders and the other Secured Creditors, *inter alia*, (i) an English law assignment by way of security of all the Guarantor's rights under the Swap Agreements and all present and future contracts, agreements, deeds and documents governed by English law to which the Guarantor may become a party in relation to the Covered Bonds and the Cover Pool; (ii) an English law charge over the Investment Account, the Securities Account and the Swap Collateral Account(s), if any, any amounts standing to the credit of, or deposited in, such accounts and the rights and benefits arising from such accounts; and (iii) a floating charge over all of the Guarantor's assets which are subject to the charge and assignments described under (i) and (ii) above and not effectively assigned thereunder.

Governing law

The English Law Deed of Charge and Assignment, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, English law.

Mandate Agreement

On or about the Initial Issue Date, the Guarantor has executed a mandate agreement, as subsequently amended (the "**Mandate Agreement**"), pursuant to which the Guarantor has conferred an irrevocable mandate to the Representative of Covered Bondholders for the exercise of the rights of the Guarantor under certain circumstances indicated in the Mandate Agreement.

Governing law

The Mandate Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Italian law.

Swap Agreements

Covered Bond Swaps

The Guarantor may, if necessary, enter into one or more Covered Bond Swaps on the relevant Issue Date with the Covered Bond Swap Counterparties to hedge certain interest rate, basis, and/or, if applicable, currency, risks in respect of, after the service of a Notice to Pay, amounts payable by the Guarantor in respect of such Series of Covered Bonds.

Each Covered Bond Swap will contain certain limited termination events and events of default which will entitle either party to terminate the relevant Covered Bond Swap. In particular, the respective Covered Bond Swap Counterparty will be, *inter alia*, required to have certain minimum ratings. Upon downgrading of the relevant Covered Bond Swap Counterparty below such ratings and failure by such Covered Bond Swap Counterparty to take certain actions to remedy such downgrading (including, without limitation, transferring all of its rights and obligations to an adequately rated swap counterparty or obtaining a guarantee from an adequately rated third-party in relation to its obligations under the relevant Covered Bond Swap), the Guarantor will be entitled to terminate the relevant Covered Bond Swap.

Upon the termination of such Covered Bond Swap, the Guarantor or the relevant Covered Bond Swap Counterparty may be liable to make a termination payment to the other in accordance with the provisions of the respective Covered Bond Swap.

No Covered Bond Swap has been entered into in connection with both the first and the second Series of Covered Bonds.

Mortgage Pool Swaps

In order to hedge the interest rate risks relating to the Mortgage Loans comprised in the Cover Pool, the Guarantor may, if necessary, enter into one or more Mortgage Pool Swap with the relevant Mortgage Pool Swap Counterparties.

Any such Mortgage Pool Swap will hedge the interest rate risks relating to the Mortgage Loans comprised in the Cover Pool.

Each Mortgage Pool Swap will contain certain limited termination events and events of default which will entitle either party to terminate the relevant Mortgage Pool Swap. In particular, the respective Mortgage Pool Swap Counterparty will be, *inter alia*, required to have certain minimum ratings. Upon downgrading of the relevant Mortgage Pool Swap Counterparty below such ratings and failure by such Mortgage Pool Swap Counterparty to take certain actions to remedy such downgrading (including, without limitation, transferring all of its rights and obligations to an adequately rated swap counterparty or obtaining a guarantee from an adequately rated third-party in relation to its obligations under the relevant Mortgage Pool Swap), the Guarantor will be entitled to terminate the relevant Mortgage Pool Swap.

Upon the termination of such Mortgage Pool Swap, the Guarantor or the relevant Mortgage Pool Swap Counterparty may be liable to make a termination payment to the other in accordance with the provisions of the respective Mortgage Pool Swap.

Swap Agreement Credit Support Document

Each Mortgage Pool Swap and each Covered Bond Swap, which may be entered into between the Guarantor and (i) each Mortgage Pool Swap Counterparty and (ii) each Covered Bond Swap Counterparty respectively, will be documented in accordance with the documentation published by the International Swaps and Derivatives Association Inc. ("**ISDA**") and relevant Credit Support Annex ("**CSA**").

Pursuant to the relevant CSA, if required to do so following a downgrade of the relevant Swap Counterparty or the downgrade of such Swap Counterparty's credit support provider, as the case may be, and subject to the conditions specified in the CSA, such Swap Counterparty will make transfers of collateral (either cash or securities) to the Guarantor in support of its obligations under the relevant Swap Agreement (the "**Collateral**"), to the Swap Collateral Account opened in respect of the relevant Swap Counterparty .

Collateral (and all income in respect thereof) transferred to the relevant Swap Collateral Account will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the relevant Swap Counterparty in accordance with the terms of the relevant CSA.

Any Collateral will be returned by the Guarantor to the relevant Swap Counterparty directly in accordance with the terms of the relevant CSA and not under the Priorities of Payments.

Governing law

The Swap Agreements, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian law that are relevant to the transactions described in this Base Prospectus and of which prospective Covered Bondholders should be aware. It is not intended to be exhaustive and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus.

Law 130. General remarks

Italian Law 130 of 30 April 1999 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

Law Decree of 14 March 2005, No. 35, converted into law by law 14 May 2005, No. 80, added Articles 7-*bis* and 7-*ter* to the Italian Law No. 130 of 30 April 1999, as applicable until the entry into force of BoI Regulations, in view of allowing Italian banks to use the securitisation techniques in view of issuing covered bonds (*obbligazioni bancarie garantite*).

The Italian Law 130 of 30 April 1999 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.

As above mentioned, on 18 December 2019 the Covered Bond Directive and the Covered Bond Regulation, amending the CRR, have been published in the Official Journal of the European Union, with the aim of harmonising the regime on covered bonds in the European Union.

In particular:

(i) the Covered Bond Directive lays down rules on the issuance requirements, structural features, public supervision and publication obligations for covered bonds;

(ii) the Covered Bond Regulation introduces some amendments to Article 129 of the CRR, providing for additional requirements for covered bonds to be eligible for the relevant preferential treatment.

On 30 November 2021 the Decree 190/2021 implementing the Covered Bond Directive, which modified the Law 130, was published in the Official Gazette No. 285 of 30 November 2021 and entered into force on 1st December 2021.

The Decree 190/2021 repealed Articles 7-*bis*, 7-*ter* and 7-*quater* of the Law 130 (as applicable until the entry into force of the BoI Regulations) and introduced the new Title I-*bis* of the Law 130, which sets out the legislative framework applicable to covered bonds issued as of the adoption by the BoI Regulations.

In accordance with the Decree 190/2021:

a. until the Implementation Date, covered bonds have been issued pursuant to article 7-*bis* of the Law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI Regulations, the MEF Decree, the previous version of the Bank of Italy "*Disposizioni di Vigilanza per le Banche*" dated 17 December 2013 (Circolare No. 285 of 17 December 2013) and the previous version of article 129 of the CRR; and

b. as of the Implementation Date, covered bonds will be issued pursuant to the provisions of Title I-*bis* of the Law 130, the BoI Regulations and the Article 129 of the CRR as amended by the Covered Bond Regulation.

Pursuant to Title I-*bis* of Law 130*,* certain provisions of Law 130 apply to transactions involving the true sale (by way of non-gratuitous assignment) of receivables or asset backed securities issued in the context of securitisation transactions meeting certain eligibility criteria set out in Article *7-novies* of Law 130, where the sale is to a special purpose vehicle created in accordance with Article 7-*septies* of Law 130 and all amounts paid by the debtors are to be used by the relevant special purpose vehicle exclusively to meet its obligations under a guarantee to be issued by it, in view of securing the payment obligations of the selling bank or of other banks in connection with the issue of covered bonds (being the Covered Bond Guarantee).

Pursuant to Article 7-*sexies*, paragraph 1, letter b) of the Law 130, the purchase price of the assets to be comprised in the cover pool shall be financed through the taking of a loan granted or guaranteed by the banks selling the assets or a different bank. The payment obligations of the special purpose vehicle under such loan shall be subordinated to the payment obligations of the special purpose vehicle *vis-à-vis* the covered bondholders, the counterparties of any derivative contracts hedging risks in connection with the assigned receivables and securities, the counterparties of any other ancillary contract and counterparties having a claim in relation to any payment of other costs of the transaction.

Under the BoI Regulations, the covered bonds may be issued also by banks which individually satisfy, or which belong to banking groups which on a consolidated basis satisfy, certain requirements related to the regulatory capital and the solvency ratio. Such requirements must also be complied with by banks selling the assets, where the latter are different from the bank issuing the covered bonds.

The Special Purpose Vehicle

On 8 May 2015, the Ministerial Decree No. 53/2015 (the "**Decree 53/2015**") issued by the Ministry of Economy and Finance has been published in the Official Gazette of the Republic of Italy. The Decree 53/2015 came into force on 23 May 2015, repealing the Decree No. 29/2009. Pursuant to Article 7 of the Decree 53/2015, the assignee companies which guarantee covered bonds, belonging to a banking group as defined by Article 60 of the Banking Act (such as Estense CPT Covered Bond S.r.l.), will no longer have to be registered in the general register held by the Bank of Italy pursuant to Article 106 of the Banking Act.

Eligibility criteria of the claims

Pursuant to article 7-*novies*, paragraph 1, of Law 130, the following assets may be assigned to the purchasing company:

(A) provided that the issuing bank complies with the requirements set forth under Article 129, paragraphs 1a, 1b, 1c, 1d, 2 and 3 of the CRR, eligible assets pursuant to Article 129, paragraph 1, of the CRR, including, *inter alia*:

a. mortgage receivables secured by residential real estate assets in accordance with article 129, paragraph 1, lett. (d) of the CRR (the "**Residential Mortgage Receivables**");

b. mortgage receivables secured by non residential real estate assets in accordance with article 129, paragraph 1, lett. (f) of the CRR (the "**Non-Residential Mortgage Receivables**" and, together with the Residential Mortgage Receivables, the "**Mortgage Receivables**"); and

c. Public Entity Securities.

(B) Liquid Assets.

In addition, pursuant to article 7-*novies*, paragraph 2, of Law 130:

(i) the real estate assets securing the receivables must be located in an Admitted State (as defined below);

(ii) such real estate assets must be insured against the risk of damage;

(iii) if such the real estate asset is located in an Admitted State other than a Member State of the European Union, the relevant security interest must be enforceable in all relevant jurisdictions and may be enforced within a reasonable time;

(iv) the hardening period for the claw back of the relevant security interest has elapsed; and

(v) in case of Assets which are not directly originated by the issuing bank, the issuing bank has performed an evaluation of the credit quality of the debtors prior to the transfer to the Cover Pool or has verified the adequacy of the credit quality evaluation criteria adopted by the originator of the eligible assets.

For the purposes of this section, "**Admitted States**" means any States belonging to the European Economic Space and Switzerland.

Ring Fencing of the assets

Under the terms of Article 3 of Law 130, the assets relating to each transaction, the relevant collections and the financial assets purchased using the collections arising from the relevant receivables will by operation of law be segregated for all purposes from all other assets of the special purpose vehicle and from those relating to the other Law 130 transactions carried out by the same special purpose vehicle. On a winding-up of such a special purpose vehicle, such assets will only be available to holders of the covered bonds in respect of which the special purpose vehicle has issued a guarantee and to the other Secured Creditors. In addition, the assets relating to a particular transaction will not be available to the holders of covered bonds issued under any other covered bonds transaction or to general creditors of the special purpose vehicle.Law 130 provides, *inter alia*, that the bank accounts used in the context of securitisation or covered bonds transactions are not subject to actions or claims by parties other than the holders of the securities of the specific transaction and that the possible commencement of insolvency proceedings against the depositary does not give rise to the suspension of payments on the sums standing to the credit of the accounts opened with the same depositary, even in connection with sums that are deposited in such accounts over the course of the insolvency proceedings. Indeed, the Law Decree no. 91 of 24 June 2014 (*Decreto Competitività*) as converted with amendments into Law No. 116 of 11 August 2014 ("**Law Decree 91**") provides that such sums are immediately available, without any need for specific requests or claims (*domanda di ammissione al passivo o di rivendica*) in the context of the insolvency proceedings and outside of the applicable insolvency distributions (*fuori dei piani di riparto o di restituzione di somme*).

The Assignment

The assignment of the receivables under Law 130 will be governed by Article 58 paragraphs 2, 3 and 4 of the Banking Act. The prevailing interpretation of this provision, which view has been strengthened by Article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of a notice in the Italian Official Gazette and by way of registration of such notice in the register of enterprises (*registro delle imprese*) at which the purchaser is registered, so avoiding the need for notification to be served on each debtor.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice with the Register of Enterprises at which the purchaser is registered, the assignment becomes enforceable against:

(a) the debtors and any creditors of the originator who have not, prior to the date of publication of the notice, commenced enforcement proceedings in respect of the relevant receivables;

(b) the liquidator or any other bankruptcy officials of the debtors (so that any payments made by a debtor to the special purpose vehicle may not be subject to any claw-back action according to Article 67 of Royal Decree no. 267 of 16 March 1942 (*Legge Fallimentare*), (the "**Bankruptcy Law**") or, after the entry into force of the Italian Legislative Decree no. 14 of 12 January 2019, as amended, supplemented or replaced from time to time (the "**Italian Insolvency Code**"), article 166 or 164, paragraph 1 of the Italian and Insolvency Code; and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

Upon the completion of the formalities referred to above, the benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the purchaser, without the need for any formality or annotation.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice with the Register of Enterprises at which the purchaser is registered, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the covered bonds and other creditors for costs incurred in the framework of the transaction.

Notice of the initial assignment of the Initial Receivables pursuant to the BPER Master Transfer Agreement was published in the Italian Official Gazette and was filed with the relevant Register of Enterprises.

However, Article 7-*octies,* paragraph 4, also provides that, where the role of servicer (*soggetto incaricato della riscossione dei crediti*) is attributed, in the context of covered bonds transaction, to an entity other than the assigning bank (whether from the outset or eventually), notice of such circumstance shall be given by way of publication in the Italian Official Gazette and registered mail with return receipt to the relevant public administrations.

Assignments under Law 130

Assignments executed under Law 130 are subject to revocation on bankruptcy under Article 67 of the Bankruptcy Law or, after the entry into force of the Italians Insolvency Code, article 166 of the Italian Insolvency Code, but only in the event that the transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or in cases where paragraph 1 of Article 67 applies or, after the entry into force of the Italian Insolvency Code, paragraph 1 article 166 of the Italian Insolvency Code, within six months of the adjudication of bankruptcy.

The subordinated loans to be granted to the special purpose vehicle and the Covered Bond Guarantee are subject to the provisions of Article 67, paragraph 4, of the Bankruptcy Law, or, after the entry into force of the Crisis and Insolvency Code, of article 166, paragraph 4, of the Italian Insolvency Code, pursuant to which the provisions of Article 67 or, after the entry into force of the Italian Insolvency Code, of article 166 of the Italian Insolvency Code, relating to the claw-back of for-consideration transactions, payments and guarantees do not apply to certain transactions.

In addition to the above, any payments made by an assigned debtor to the special purpose vehicle may not be subject to any claw back action according to Article 65 of the Bankruptcy Law or, after the entry into force of the of the Italian Insolvency Code, Article 164 of the Italian Insolvency Code.

Coverage Requirements

Pursuant to Article 7-*undecies*, paragraph 1, of Law 130, the issuing bank and the assigning bank (to the extent different from the issuer) will have to ensure that, on a continuing basis, the following mandatory tests are complied with:

(a) the aggregate nominal amount of the cover pool shall be equal to, or greater than, the aggregate nominal amount of the outstanding covered bonds;

(b) the net present value of the cover pool, net of the transaction costs to be borne by the special purpose vehicle, including therein the expected costs and the costs of any hedging arrangement entered into in relation to the transaction, shall be equal to, or greater than, the net present value of the outstanding covered bonds; and

(c) the amount of interests and other revenues generated by the cover pool, net of the costs borne by the special purpose vehicle, shall be equal to, or greater than, the interests and costs due by the issuer under the outstanding covered bonds, also taking into account any hedging arrangements entered into in relation to the transaction.

It being understood that, for the calculations of the mandatory tests, the issuing bank shall comply, *inter alia*, with the following criteria:

(i) pursuant to Article 7-*undecies*, paragraph 2, letter a) of Law 130, unsecured receivables, in the event of a default pursuant to Article 178 of the CRR, shall not contribute to the calculations of the mandatory tests;

(ii) pursuant to Article 7-*undecies*, paragraph 2, letter b) of Law 130, the costs related to maintenance and administration for the winding-down of the covered bonds programme may be calculated as a lump sum;

(iii) pursuant to Article 7-*undecies*, paragraph 2, letter c) of Law 130, the Liquid Assets shall contribute to the calculations of the mandatory tests provided that they comply with the conditions for qualifying as eligible assets set out under Article 7-*novies*, paragraph 1, letter (a), of the Law 130;

(iv) pursuant to Article 7-*undecies*, paragraph 2, letter d) of Law 130, the calculation of the interest generated by the assets included in the cover pool and the interest due by the Issuer on the OBG outstanding shall be made on the basis of prudent criteria and criteria consistent with the applicable accounting principles;

(v) pursuant to Article 7-*undecies*, paragraph 2, letter f) of Law 130, the methodologies for the calculation of the numerator and denominator of the mandatory tests are based on criteria consistent with each other.

In addition, pursuant to Article 129, paragraph 3a, of the CRR, in addition to being collateralised by the eligible assets pursuant to Article 129, paragraph 1, of the CRR, covered bonds shall be subject to a minimum level of 5% of overcollateralisation.

The liquidity buffer requirement

Pursuant to Article 7-*duodecies*, paragraph 1 of the Law 130, the Issuer ensures on an ongoing basis, for the entire duration of the cover bond programme, that the cover pool include a liquidity buffer amount that is at least equal to the maximum cumulative net outflow of liquidity over the next 180 days.

The liquidity buffer requirement shall be met with the following liquid assets having the characteristics set forth in Article 7-*duodecies*, paragraph 2, of Law 130 (each being a Liquid Asset):

(i) high quality liquid assets (as identified in Commission Delegated Regulation (EU) 2015/61);

(ii) exposures with an original maturity of ninety days or less to credit institutions that qualify for credit quality steps 1 or 2 or short-term exposures to credit institutions that are classified for credit quality steps 1, 2 or 3 in accordance with Article 129, paragraph 1, letter (c) of the CRR.

The features of the Covered Bond Guarantee

According to Article 7-*quaterdecies*, paragraph 1, of Law 130, the Covered Bond Guarantee shall be limited recourse to the portfolio of assets comprised in the cover pool, irrevocable, callable on demand, unconditional and independent from the obligations assumed by the issuer under the covered bonds. Accordingly, such obligations shall be a direct, unconditional, unsubordinated obligation of the special purpose vehicle, limited recourse to the assets comprised in the cover pool, irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the issuer.

In order to ensure the autonomous and independent nature of the Covered Bond Guarantee, Article 7-*quaterdecies*, paragraph 1, of Law 130 provides that the following provisions of the Italian civil code, generally applicable to personal guarantees (*fideiussioni*), shall not apply: (a) Article 1939, providing that a *fideiussione* shall not generally be valid where the guaranteed obligation is not valid; (b) Article 1941, paragraph 1, providing that *a fideiussione* cannot exceed the amounts due by the guaranteed debtor, nor can it be granted for conditions more onerous than those pertaining to the main obligation; (c) Article 1944, paragraph 2, providing, *inter alia,* that the parties to the contract pursuant to which *the fideiussione* is issued may agree that the guarantor shall not be obliged to pay before the attachment is carried out against the guaranteed debtor; (d) Article 1945, providing that the guarantor can raise against the creditor any objections (*eccezioni*) which the guaranteed debtor is entitled to raise, except for the objection relating to the lack of legal capacity on the part of the guaranteed debtor; (e) Article 1955, providing that a *fideiussione* shall become ineffective (*estinta*) where, as a consequence of acts of the creditor, the guarantor is prevented from subrogating into any rights, pledges, mortgages, and liens (*privilegi*) of the creditor; (f) Article 1956, providing that the guarantor of future receivables shall not be liable where the creditor – without the authorisation of the guarantor – has extended credit to a third party, while being aware that the economic conditions of the principal obligor were such that recovering the receivable would have become significantly more difficult; and (g) Article 1957, providing, *inter alia,* that the guarantor will be liable also after the guaranteed obligation has become due and payable, provided that the creditor has filed its claim against the guaranteed debtor within six months and has diligently pursued them.

The obligations of the special purpose vehicle following a liquidation of the issuer

The Law 130 also set out certain principles which are aimed at ensuring that the payment obligations of the special purpose vehicle are isolated from those of the issuer. To that effect, it requires that the Covered Bond Guarantee contains provisions stating that the relevant obligations thereunder shall not accelerate upon the issuer's default, so that the payment profile of the covered bonds shall not automatically be affected thereby.

More specifically, Article 7-*quaterdecies*, paragraph 2, of Law 130 provides that, in the event of breach by the issuer of its obligations *vis-à-vis* the covered bondholders, the special purpose vehicle shall assume the obligations of the issuer – within the limits of the cover pool – in accordance with the terms and conditions originally set out for the covered bonds. The same provision applies where the issuer is subject to mandatory liquidation procedures (*liquidazione coatta amministrativa*).

In addition, the acceleration (*decadenza dal beneficio del termine*) provided for by Article 1186 of the Italian civil code and affecting the issuer shall not affect the payment obligations of the special purpose vehicle under the Covered Bond Guarantee. Pursuant to Article 7-*quaterdecies*, paragraph 2, of Law 130, the limitation in the application of Article 1186 of the Italian civil code shall apply not only to the events expressly mentioned therein, but also to any additional event of acceleration provided for in the relevant contractual arrangements.

In accordance with Article 7-*quaterdecies*, paragraph 3, of Law 130, in case of compulsory liquidation (*liquidazione coatta amministrativa)* or resolution (*risoluzione*) of the issuer, the special purpose vehicle shall assume the obligations of the issuer *vis-à-vis* the covered bonds holders – within the limits of the cover pool – in accordance with the terms and conditions originally set out for the covered bonds and shall exercise the rights of the covered bondholders *vis-à-vis* the issuer in accordance with the legal regime applicable to the issuer. Any amount recovered by the special purpose vehicle as a result of the exercise of such rights shall be deemed to be included in the cover pool.

In the event of a suspension of payments pursuant to article 74 of the Banking Act, the special purpose vehicle shall assume the obligations of the issuer *vis-à-vis* the covered bonds holders – within the limits of the cover pool – only with respect to the receivables due and payable during the suspension period. The special purpose vehicle shall exercise recourse against the issuer for the amounts paid.

In accordance with Article 7-*quaterdecies*, paragraph 4, of Law 130, in case of *liquidazione coatta amministrativa* of the issuer, the covered bonds holders shall concur to the distribution of the issuer's assets, to the extent remaining after the enforcement of the Covered Bond Guarantee, with the unsecured creditors of the issuer, including, in the case provided for in article 7-*quinquiesdecies*, paragraph 2, of Law 130, the derivates counterparties.

Controls over the transaction

Section IV of the BoI Regulations lay down rules on controls over transactions involving the issuance of covered bonds.

Inter alia, in order to provide support to the resolutions passed on the assignment of portfolios to the special purpose vehicle, both in the initial phase of transactions and in later phases, the assigning bank shall request to an auditing firm a confirmation (*relazione di stima*) stating that, on the basis of the activities carried out by that auditing firm, there are no reasons to believe that the appraisal criteria utilised in order to determine the purchase price of the assigned assets are not in line with the criteria which the assigning bank must apply when preparing its financial statements. The above mentioned confirmation is not required if the assignment is made at the book value, as recorded in the latest approved financial statements of the assigning bank, on which the auditors have issued a clean opinion. The above mentioned confirmation is not required if any difference between the book value and the purchase price of the relevant assets is exclusively due to standard financial fluctuations of the relevant assets and is not in any way related to reductions in the qualitative aspects of those assets and/or the credit risk related to the relevant debtors.

The management body of the issuing banks must ensure that the structures delegated to the risk management verify at least every six months and for each transaction, *inter alia:*

(a) the quality and integrity of the assets sold to the special purpose vehicle securing the obligations undertaken by the latter;

(b) compliance with the maximum ratio between covered bonds issued and the assets sold to the special purpose vehicle for purposes of backing the issue and with the liquidity buffer requirement, in accordance with articles 7-*undecies* and 7-*duodecies* of Law 130 and Section III of the BoI Regulations;

(c) compliance with the internal operational limits on the sale of eligible assets and and limit to the integration of the cover pool set out by the BoI Regulations;

(d) the effectiveness and adequacy of the coverage of risks provided under derivative agreements entered into in connection with the transaction; and

(e) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to Section V of the BoI Regulations.

The bodies with management responsibilities of issuing banks and banking groups ensure that an assessment is carried out of the legal aspects of the activity on the basis of specially issued legal opinions setting out an in-depth analysis of the contractual structures and schemes adopted, with a particular focus on, *inter alia,* the characteristics of the Covered Bond Guarantee.

Pursuant to article 7-*sexiesdecies* of Law 130, the controls on (a) the regularity of the transaction, (b) the compliance with the requirement of Section III of the BoI Regulations, (c) the integrity of the Covered Bond Guarantee and (d) on the disclosure to investors will also be carried out by the Asset Monitor. The Asset Monitor shall be an auditing firm having professional experience which is adequate in relation to the tasks entrusted with the same and independent from: (a) the audit firm entrusted with the auditing of the issuing bank or of the other entities taking part to the transaction; (b) the bank which is granting the relevant mandate; and (c) the other entities which take part to the transaction.

Based upon controls carried out and assessments on the performance of transactions, the Asset Monitor shall prepare annual reports, to be addressed, *inter alia,* to the control body of the bank which granted the mandate to the Asset Monitor. The BoI Regulations cite the provisions (articles 52 and 61, para 5, of the Banking Act), which impose on persons responsible for conducting controls specific obligations to report to the Bank of Italy and to the provisions of article 7-*sexiesdecies* of Law 130.

In order to ensure that the special purpose vehicle can fulfil, in an orderly and timely manner, the obligations arising under the Covered Bond Guarantee, the issuing banks shall use asset and liability management techniques for purposes of assuring, including by way of specific controls at least every six months, stability between the payment dates of the cash flows generated under the assets assigned to the special purpose vehicle, and included in the latter's segregated portfolio, and the payments dates with respect to payments due by the issuing bank in connection with the covered bonds issued and other transaction costs.

Finally, in relation to the information flows, the parties to the covered bond transactions shall assume contractual undertakings allowing the issuing and the assigning bank (and the third party servicer, if any) to hold the information on the assigned assets (including the status thereof) which are necessary for the carrying of the controls described in the BoI Regulations and for the compliance with the supervisory reporting obligations, including therein the obligations arising in connection with the membership to the central credit register (*Centrale dei Rischi*).

Public disclosure

Pursuant to Article 7-*septiesdecies* of the Law 130, the issuing bank shall publish, at least quarterly, including on its website and in accordance with the implementing provisions of the Bank of Italy, information on issuance programmes in order to enable investors to perform an informed assessment of the issuances and the associated risks.

Section IV of the BoI Regulations has been further supplemented by Section V of the BoI Regulations, which sets out the relevant information to be provided to the investors.

Insolvency proceedings

On 15 July 2022, Legislative Decree No. 14/2019, as amended by Legislative Decree No. 147 of 26 October 2020, by Law Decree No. 118 of 24 August 2021 and by Legislative Decree No. 83 of 17 June 2022 (the "**Italian Insolvency Code**") entered into force setting out, *inter alia*, a new regime for insolvency and turnaround procedures.

Except for certain provisions which are applicable since 16 March 2019 (including, *inter alia*, with reference to certain organisational duties for Italian corporates), 20 November 2020 and 15 November 2021, the provisions of the Italian Insolvency Code apply to turnaround and insolvency proceedings started from 15 July 2022 (included) onwards.

The Bankruptcy Law is still applicable to turnaround and insolvency proceedings whose petition has been filed with the competent court before 15 July 2022 (excluded).

Under the Italian Insolvency Code, insolvency proceedings (*procedure concorsuali*) conducted under Italian law may take the form of, *inter alia,* judicial liquidation (*liquidazione giudiziale*), compolsury administrative liquidation (*liquidazione coatta amministrativa*), creditors' agreements (*concordato preventivo* and *accordi di ristrutturazione dei debiti*), certified plan agreements (*accordi in esecuzione di piani attestati di risanmento*), moratorium agreements (*convenzione di moratoria*). The Italian Insolvency Code also governs, *inter alia*, (i) negotiated settlement procedures (*composizione negoziata della crisi*) and (ii) simplified composition with creditors (*concordato semplificato*).

The regime set forth under the Italian Insolvency Code as described in this paragraph is only applicable to certain businesses either run by companies or by individuals to the extent certain requirements are met.

A debtor (other than, among others, banks to which the procedures summarised in the below paragraphs apply) can be subject to judicial liquidation (*liquidazione giudiziale*) proceeding, pursuant to the Italian Insolvency Code, if it is declared insolvent by a court (at its own initiative, or at the initiative of any of its creditors or the public prosecutor or the supervising internal bodies or the supervising administrative authorities). Insolvency occurs when the relevant entity is not able to fulfil its obligations in a timely manner. Upon the declaration of insolvency (*sentenza di apertura di liquidazione giudiziale*), *inter alia*, the relevant entity loses control over all its assets and the management of its business, which is taken over by a court appointed receiver (*curatore*). The creditors' claims have to be filed with the bankruptcy estate and are subject to verification by the delegated judge while the sale of the debtor's assets is conducted in accordance with a liquidation plan drafted by the court appointed receiver and approved by the creditors' committee.

A bankruptcy eligible insolvent or in distress (*stato di crisi*) debtor may propose to its creditors to implement a turnaround proceeding, including a composition with creditors proposal (*proposta di concordato preventivo*) pursuant to articles 84 and following of the Italian Insolvency Code, a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) pursuant to articles 64-*bis* and following of the Italian Insolvency Code, restructuring creditors' agreements (*accordi di ristrutturazione dei debiti*) pursuant to articles 57 and following of the Italian Insolvency Code, certified plan agreements (*accordi in esecuzione di piani attestati di risanamento*) pursuant to articles 56 of the Italian Insolvency Code or moratorium agreements (*convenzione di moratoria*) pursuant to article 62 of the Italian Insolvency Code.

The Italian Insolvency Code also sets out the regime for (i) the negotiated settlement procedures (*composizione negoziata*) which is aimed at facilitating the solution to a situation of the debtor being in a net worth or economical or financial unbalance (*squilibrio patrimoniale o economico-finanziario*) that would probably lead to distress or insolvency; and (ii) simplified composition with creditors (*concordato semplificato*) which aims at liquidating all the debtor's assets in order to distribute the relevant proceeds to its creditors and whose proposal may be filed by the relevant debtor in case of a negative outcome of the negotiated settlement procedure, provided that the expert certifies in the final report that the relevant negotiations in the negotiated settlement phase have been carried out fairly and in good faith.

A moratorium regime in relation to the start and/or continuation of enforcement and interim actions (*azioni esecutive e cautelari*) for pre-existing claims is provided, subject to certain requirements and for specific timeframes, in the context of, among others, judicial liquidation (*liquidazione giudiziale*), concordato preventivo proceedings, restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*), restructuring creditors' agreements (*accordi di ristrutturazione dei debiti*) and negotiated settlement procedures (*composizione negoziata*).

The Italian Insolvency Code provides that consumers and other entities which cannot be subject to insolvency proceedings may benefit from special proceedings for the restructuring of their debts.

Description of *Amministrazione Straordinaria delle Banche*

A bank may be submitted to the *amministrazione Straordinaria delle banche* where: (a) serious administrative irregularities, or serious violations of the provisions governing the bank's activity provided for by laws, regulations or the bank's by-laws activity are found; (b) serious capital losses are expected to occur; (c) the dissolution has been the object of a request by the administrative bodies or an extraordinary company meeting providing the reasons for the request.

According to the Banking Act, the procedure is initiated by decree of the Bank of Italy, which shall terminate the board of directors and the board of auditors of the bank. Subsequently, the Bank of Italy shall appoint: (a) one or more special administrators (*commissari straordinari*)*;* and (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*). The *commissari straordinari* is entrusted with the duty to assess the situation of the bank, remove the irregularities which may have been found and promote solutions in the best interest of the depositors of the bank. The *comitato di sorveglianza* exercises auditing functions and provides to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. However, it should be noted that the Bank of Italy may instruct in a binding manner the *commissari straordinari* and the *comitato di sorveglianza* providing specific safeguards and limits concerning the management of the bank.

In exceptional circumstances, the *commissari straordinari,* in order to protect the interests of the creditors, in consultation with the *comitato di sorveglianza* and subject to an authorisation by the Bank of Italy, may suspend payment of the bank's liabilities and the restitution to customers of financial instruments. Payments may be suspended for a period of up to one month, which may be extended for an additional two months.

The *amministrazione Straordinaria delle banche* usually lasts one year (unless the decree provides for a shorter period or the supervisory authority closes the proceeding in advance). If the circumstances for the activation of the procedure remain, it may be extended for one or more period of one year.

At the end of the procedure, the *commissari straordinari* shall undertake the necessary steps for the appointment of the bodies governing the bank in the ordinary course of business. After the appointment, the management and audit functions shall be transferred to the newly appointed bodies. It should, however, be noted that, should at the end of the procedure or at any earlier time the conditions for the declaration of the *liquidazione coatta amministrativa* (described in the following section) be met, the bank may be subject to such procedure.

The Banking Act also provides that, in the circumstances that may trigger extraordinary administration, the Bank of Italy may appoint one or more temporary administrator to assist the management body of the bank. The supervisory authority may determine the powers of the relevant administrator and condition certain management decisions to the prior approval of the administrator(s).

Specific rules apply in the case of banking groups.

Description of *Liquidazione Coatta Amministrativa delle Banche*

According to the Banking Act, when the conditions for the *Amministrazione Straordinaria delle banche* and described in the preceding paragraph are exceptionally serious (*di eccezionale gravità*)*,* or when a court has declared the state of insolvency of the bank, the Minister of economy and finance, acting on a proposal from the Bank of Italy, by virtue of a decree, may revoke the authorisation for the carrying out of banking activities and submit the bank to compulsory winding-up (*liquidazione coatta amministrativa*), including where the *amministrazione straordinaria* or (voluntary) liquidation is already pending, if the bank is failing or is likely to fail and: (i) there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the extraordinary administration, would prevent the failure of the institution within a reasonable timeframe and (ii) a resolution action would not be in the public interest.

From the date of issue of the decree, the functions of the administrative and control bodies, of the shareholders' meetings and of every other governing body of the bank shall cease. The Bank of Italy shall appoint: (a) one or more liquidators (*commissari liquidatori*); and (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*).

From the date the *commissari liquidatori* and the *comitato di sorveglianza* have assumed their functions and, in any case, from the sixth business day following the date of issue of the aforesaid decree of the Minister of Economy and Finance, the payment of any liabilities and the restitution of assets owned by third parties shall be suspended.

The *commissari liquidatori* shall act as legal representatives of the bank, exercise all actions that pertain to the bank and carry out all transactions concerning the liquidation of the bank's assets. The *comitato di sorveglianza* shall: (a) assist the *commissari liquidatori* in exercising their functions; (b) control the activities carried out by *commissari liquidatori*; and (c) provide to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. The Bank of Italy may issue directives concerning the implementation of the procedure and establish that some categories of operations and actions shall be subject to its authorisation and to preliminary consultation with the *comitato di sorveglianza*.

The Banking Act regulates the procedure for the assessment of the bank's liabilities (*accertamento del passivo*) and the procedures which allow creditors whose claims have been excluded from the list of liabilities (*stato passivo*) to challenge the list of liabilities.

The liquidators, with the favourable opinion of the *comitato di sorveglianza* and subject to authorisation by the Bank of Italy, may assign assets and liabilities, going concerns, assets and legal relationships identifiable *en bloc*. Such assets may be assigned at any stage of the procedure, even before the *stato passivo* has been deposited. The assignor shall, however, be liable exclusively for the liabilities included in the *stato passivo.* Subject to prior authorisation of the Bank of Italy and for the purpose of maximising profits deriving from the liquidation of the assets, the *commissari liquidatori* may continue the banks' activity, or of specific going concerns of the bank, in compliance with any indications provided for by the *comitato di sorveglianza.* In such case, the provision of the Italian Insolvency Code concerning the termination of legal relationships shall not apply.

Once the assets have been realised and before the final allotment to the creditors or to the last restitution to customers, the *commissari liquidatori* shall present to the Bank of Italy the closing statement of accounts of the liquidation, the financial statement and the allotment plan, accompanied by their own report and a report by the oversight committee.

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions (the "**Conditions**" and, each of them, a "**Condition**") that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Covered Bonds. For the avoidance of doubt, the Conditions do not apply to the Registered Covered Bonds (as defined in the Prospectus). In these Conditions, references to the "holder" of Covered Bonds and to the "Covered Bondholders" are to the ultimate owners of the Covered Bonds, dematerialised and evidenced by book entries with Euronext Securities Milan ("**Euronext Securities Milan**", which commercial name is Monte Titoli S.p.A.) in accordance with the provisions of (i) Legislative Decree No. 58 of 24 February 1998 as subsequently amended and supplemented from time to time (the "**Financial Law**") and implementing regulations and (ii) the joint regulation, regarding post-trading systems, of CONSOB and the Bank of Italy dated 13 August 2018, as subsequently amended and supplemented from time to time.*

In relation to Registered Covered Bonds, the terms and conditions of such Series of Registered Covered Bonds will be as set out in the Registered Covered Bond and the Registered CB Conditions, together with the Registered CB Rules Agreement relating to such Registered Covered Bond. Any reference to a "Registered CB Condition" other than in this section shall be deemed to be, as applicable, a reference to the relevant provision of the Registered Covered Bond, or the Registered CB Conditions attached as a schedule thereto or the provisions of the Registered CB Rules Agreement relating to such Registered Covered Bonds.

Any reference to the Conditions or a Condition shall be referred to the Conditions and/or the Registered CB Conditions as the context may require. Any reference to the Covered Bondholders shall be referred to the holders of the Covered Bonds and/or the registered holder for the time being of a Registered Covered Bond as the context may require.

Any reference to the Covered Bonds will be construed as to including the Covered Bonds issued under the Conditions and/or the Registered Covered Bonds as the context may require.

1. Introduction

(a) *Programme*

BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa) (the "**Issuer**" or "**BPER**") has established a covered bond programme (the "**Programme**") for the issuance of up to Euro 7,000,000,000 in aggregate principal amount of European covered bonds (the "**Covered Bonds**") unconditionally and irrevocably guaranteed by Estense CPT Covered Bond S.r.l. (the "**Guarantor**"). Covered Bonds are issued pursuant to Title I-*bis* of law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "**Law 130**"), article 129 of the 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 and supplemented from time to time (the "**CRR**") and the supervisory instructions of the Bank of Italy containing the "*Disposizioni di vigilanza per le banche*" relating to the covered bonds (*Obbligazioni Bancarie Garantite*) set out under in Chapter III, Section 3, of the Circular n. 285 dated 17 December 2013, as replaced, amended and supplemented from time to time (the "**BoI Regulations**" and, together with Law 130 and the CRR, the "**OBG Regulations**").

(b) *Final Terms*

Covered Bonds are issued in series (each a "**Series**") and each Series may comprise one or more tranches, whether or not issued on the same date, that (except in respect of the Interest Commencement Date and their Issue Price) have identical terms on issue and are expressed to be consolidated and have the same Series number (each a "**Tranche**") of Covered Bonds. As used in these Conditions, reference to a Tranche is a reference to Covered Bonds which are identical in all respects (including as to listing). 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. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Covered Bond Guarantee*

Each Covered Bond benefits of a guarantee dated 15 December 2015, as amended from time to time and on 29 September 2023, as subsequently further amended, issued by the Guarantor (the "**Covered Bond Guarantee**") for the purpose of guaranteeing the payments due from the Issuer in respect of the Covered Bonds of all Series issued under the Programme. 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 Transfer Agreements (as defined below) and in accordance with the provisions of the OBG Regulations. The obligations of the Guarantor to the Covered Bondholders under the Covered Bond Guarantee will be limited recourse to the assets from time to time comprised in the Cover Pool (as defined below). Payments made by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the relevant Priority of Payments (as defined below).

(d) *Programme Agreement and Subscription Agreements*

In respect of each 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 for the Covered Bonds on the Issue Date under the terms of a programme agreement dated 15 December 2015, as amended from time to time and on 29 September 2023, as subsequently further amended (the "**Programme Agreement**") between the Issuer, the Guarantor 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) on or around the date of the relevant Final Terms in respect of the relevant Tranche (each a "**Subscription Agreement**"). In accordance with the Programme Agreement, the Relevant Dealer(s) has appointed or will appoint 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 13 (*Representative of the Covered Bondholders*).

For the avoidance of doubt, Registered Covered Bonds, if any, shall be governed by a set of legal documentation in the form from time to time agreed with the relevant Dealer and will not be governed by these Conditions. For futher information please refer to the section "*Key features of the registered covered bonds (namensschuld verschreibungen)*" of the Base Prospectus.

(e) *The Covered Bonds*

In these Conditions, references to "**Covered Bonds**" are to Covered Bonds of a Series subject to the relevant Final Terms and references to "**each Series of Covered Bonds**" are to (i) Covered Bonds of Series subject to the relevant Final Terms and (ii) each other Series of Covered Bonds issued under the Programme which remains outstanding from time to time. For the avoidance of doubt, Registered Covered Bonds, if any, shall be governed by a set of legal documentation in the form from time to time agreed with the relevant Dealer and will not be governed by these Conditions. For futher information please refer to the section "*Key features of the registered covered bonds (namensschuld verschreibungen)*" of the Base Prospectus.

The Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds, depending upon the Interest Basis shown in the applicable Final Terms.

Where the applicable Final Terms specifies that an Extended Maturity Date applies to a Series of Covered Bonds, those Covered Bonds may be Fixed Rate Covered Bonds or Floating Rate Covered Bonds, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Issue Date to and including the Maturity Date, and Fixed Rate

Covered Bonds or Floating Rate Covered Bonds, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

The Covered Bonds may be scheduled to be redeemed at par on the Maturity Date or redeemable in two or more instalments if they are specified as Instalment Covered Bonds, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

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

The Covered Bondholders are deemed to have notice of and are bound by and shall have the benefit of the terms of the rules of the organisation of the Covered Bondholders (the "**Rules of the Organisation of the Covered Bondholders**") which constitute an integral and essential part of these Conditions. The Rules of the Organisation of the Covered Bondholders are attached hereto as a schedule. The rights and powers of the Representative of the Covered Bondholders and the Covered Bondholders may be exercised only in accordance with the Rules of the Organisation of the Covered Bondholders. 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.

(g) *Summaries*

Certain provisions of these Conditions are summaries of the Transaction Documents (as defined below) 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 applicable to them. In particular, each Covered Bondholder, by reason of holding one or more Covered Bonds, recognises the Representative of the Noteholders as its representative, acting in its name and on its behalf, and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Covered Bondholders is a party as if such Covered Bondholder was itself a signatory thereto. Copies of the Transaction Documents are available for inspection by 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 each of the Paying Agents.

2. Interpretation

(a) *Definitions*

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

"**Account Bank** means BPER or any permitted successor or assignee thereof.

"**Accounts**" means, collectively, the Investment Account, the Securities Account, the Swap Collateral Account(s) (if any), the Collection Account, the Payments Account, the Expenses Account, the Cash Reserve Account, the Commingling Account,the Quota Capital Account, the Liquidity Buffer Account (if opened) and the Liquidity Buffer Securities Account (if opened) and **Account** means any one of them.

"**Accrual Yield**" has the meaning given 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 Master Transfer Agreement**" means each master transfer agreement between the

Guarantor and an Additional Seller providing for, *mutatis mutandis*, substantially the same terms and conditions as the BPER Master Transfer Agreement.

"**Additional Warranty and Indemnity Agreement**" means each warranty and indemnity agreement between the Guarantor and an Additional Seller providing for, *mutatis mutandis*, substantially the same terms and conditions as the BPER Warranty and Indemnity Agreement.

"**Additional Seller**" means any entity, other than the Initial Seller, which is or will be part of the *Gruppo bancario BPER Banca S.p.A.* that will accede to the Programme and sell Subsequent Portfolios to the Guarantor.

"**Additional Subordinated Loan Agreement**" means each subordinated loan agreement entered into between the Guarantor and the relevant Additional Seller as Subordinated Loan Provider providing for, *mutatis mutandis*, substantially the same terms and conditions as the BPER Subordinated Loan Agreement.

"**Adjusted Aggregate Loan Amount**" means the amount calculated pursuant to the formula set out in the Cover Pool Administration Agreement.

"**Amortisation Test**" means the test intended to ensure that, following the occurrence of an Issuer Event of Default and service of a Notice to Pay (but prior to the service of a Breach of Amortisation Test Notice or a Guarantor Default Notice), on each Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Amortisation Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Amortisation Test Aggregate Loan Amount is equal to or higher than the Outstanding Principal Balance of the Covered Bonds.

"**Amortisation Test Aggregate Loan Amount**" has the meaning given to such term in the Cover Pool Administration Agreement.

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

"**Article 74 Event Cure Notice**" means a notice delivered by the Representative of the Covered Bondholders (having received, if it deems appropriate, and being entitled to rely on, prior confirmation of such cure event having occurred from competent professionals) to the Issuer, the Guarantor and the Asset Monitor, informing such parties that the Article 74 Event has been cured.

"**Asset Coverage Test**" means the test which will be carried out pursuant to the terms of the Cover Pool Administration Agreement in order to ensure that, on the relevant Calculation Date and/or Monthly Calculation Date and/or on each other day on which the Asset Coverage Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, the Adjusted Aggregate Loan Amount is at least equal to the aggregate Outstanding Principal Balance of the Covered Bonds.

"**Asset Monitor**" means PricewaterhouseCoopers S.p.A., or any permitted successor or assignee thereof.

"**Asset Monitor Agreement**" means the Asset Monitor agreement entered into in the context of the Programme, as amended from time to time and on 29 September 2023, among, *inter alios,* the Asset Monitor, the Guarantor, the Representative of the Covered Bondholders and the Issuer, as subsequently further amended.

"**Available Funds**" means (a) the Interest Available Funds, (b) the Principal Available Funds and (c) the Excess Proceeds.

"**Back-up Account Bank**" means The Bank of New York Mellon SA/NV – Milan Branch or any permitted successor or assignee thereof.

"**Banking Act**" means Legislative Decree No. 385 of 1 September 1993, as amended and supplemented.

"**BPER Master Transfer Agreement**" means the master transfer agreement entered into on 17 September 2015, as amended from time to time and on 29 September 2023, between BPER as the Initial Seller and the Guarantor, as subsequently further amended.

"**BPER Subordinated Loan Agreement**" means the subordinated loan agreement entered into on 17 September 2015, as amended from time to time and on 29 September 2023, between the Guarantor and BPER as Subordinated Loan Provider, as subsequently further amended.

"**BPER Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on 17 September 2015, as amended from time to time and on 29 September 2023, between the BPER as Initial Seller and the Guarantor, as subsequently further amended.

"**Breach of Amortisation Test Notice**" means the notice served by the Representative of the Covered Bondholders on the Guarantor in accordance with the Intercreditor Agreement, upon the occurrence of a breach of the Amoritsation Test.

"**Breach of Tests Notice**" means the notice to be delivered by the Representative of the Covered Bondholders to the Issuer and the Guarantor in accordance with the terms of the Cover Pool Administration Agreement.

"**Broken Amount**" has the meaning given to such term in the relevant Final Terms.

"**Business Day**" means a day on which banks are generally open for business in London, Milan and Luxembourg and on which the Target System (or any successor thereto) is open.

"**Business Day Convention**", in relation to any particular date, has the meaning given 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 Agent**" means BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa), acting as such pursuant to the Cash Management and Agency Agreement and the Cover Pool Administration Agreement or any permitted successor or assignee thereof.

"**Calculation Amount**" has the meaning given to such term in the relevant Final Terms.

"**Calculation Date**" means the 20th day of January, April, July and October or, if that day is not a Business Day, the immediate following Business Day. The first Calculation Date was on 20 January 2015.

"**Calculation Period**" means each Collection Period and, after the delivery of a Test Performance Report assessing that a breach of Tests or the Liquidity Buffer Target Amount or, if applicable, the Amortisation Test or the Minimum OC Requirement has occurred and is outstanding, each period beginning on (and including) the first day of a calendar month and ending on (and including) the last day of the same calendar month until such time the relevant breach of Test or the Liquidity Buffer Target Amount or, if applicable, the Amortisation Test or the Minimum OC Requirement has been cured or otherwise remedied in accordance with the Cover Pool Administration Agreement.

"**Call Option**" has the meaning given to such term in the relevant Final Terms.

"**Cash Management and Agency Agreement**" means the cash management and agency agreement entered into on or about the Initial Issue Date, as amended from time to time and on 29 September 2023, between, *inter alios,* the Guarantor, the Back-up Account Bank, the Account Bank, the Cash Manager, the Representative of the Covered Bondholders, the Calculation Agent, the Guarantor Calculation Agent, the Investment Agent, the Subsequent Paying Agent, the Primary Paying Agent, the Back-up Servicer Facilitator and the Servicer, as subsequently further amended.

"**Cash Manager**" means BPER.

"**Cash Reserve Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**CB Interest Period**" means each period beginning on (and including) a CB Payment Date (or, in case of the first CB Interest Period, the Interest Commencement Date) and ending on (but excluding) the next CB Payment Date (or, in case of the last CB Interest Period, the Maturity Date).

"**CB Payment Date**" means 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:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) 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 CB Payment Date) or the previous CB Payment Date (in any other case).

"**Clearstream**" means Clearstream Banking, *société anonyme,* Luxembourg.

"**Collateral**" means (i) prior to the occurrence of an Early Termination Date (as defined in the relevant Swap Agreement) for the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable), the amount and/or securities (if any) standing to the credit of the account into which the collateral posted pursuant to the relevant Swap Agreement is held (each a Swap Collateral Account as defined below); and (ii) following the date on which the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable) is terminated, the moneys and/or securities (if any) standing to the credit of the relevant Swap Collateral Account in an amount equal to the Excess Swap Collateral.

"**Collection Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Collection Period**" means each period commencing on (and including) the first calendar day of January, April, July and October and ending on (and including) the last calendar day of March, June, September and December of each year, and in the case of the first Collection Period, commencing on (and excluding) the Initial Valuation Date and ending on (and including) 30 September 2015.

"**Commingling Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

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

"**Corporate Servicer**" means Banca Finanziaria Internazionale S.p.A. or any permitted successor or assignee thereof.

"**Corporate Services Agreement**" means the corporate services agreement entered into on or about the Initial Issue Date, as amended from time to time and on 29 September 2023, between the Corporate Servicer and the Guarantor, as subsequently further amended.

"**Cover Pool**" means the cover pool constituted by the Receivables and/or Integration Assets and/or Liquid Assets held by the Guarantor from time to time.

"**Cover Pool Administration Agreement**" means the Cover Pool administration agreement entered into on or about the Initial Issue Date, as amended from time to time and on 29 September 2023, between, *inter alios,* the Issuer, the Seller, the Guarantor, the Representative of the Covered Bondholders and the Calculation Agent, as subsequently further amended.

"**Cover Pool Manager**" has the meaning given to such term in the Cover Pool Administration Agreement.

"**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 Swap**" means each covered bond swap agreement which may be entered into between the Guarantor and the relevant Covered Bond Swap Counterparty in order to hedge certain interest rate, basis, and, if applicable, currency risks in respect of amounts received by the Guarantor under the Mortgage Pool Swaps and the Covered Bonds.

"**Covered Bond Swap Counterparty**" means each entity acting as such under a Covered Bond Swap.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a CB Interest Period) (the "**OBG Calculation Period**"):

(i) if "**Actual/Actual (ICMA)**" is specified in the relevant Final Terms:

(a) if the OBG Calculation Period is equal to or shorter than the Regular Period during which it falls, the number of days in the OBG Calculation Period divided by the product of (x) the number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year; and

(b) if the OBG Calculation Period is longer than one Regular Period, the sum of:

(A) the number of days in such OBG Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the number of days in such OBG Calculation Period falling in the next Regular Period divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

(ii) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the relevant Final Terms, the actual number of days in the OBG Calculation Period divided by 365 (or, if any portion of the OBG Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the OBG Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the OBG Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the OBG Calculation Period divided by 365;

(iv) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the OBG Calculation Period divided by 360;

(v) if "**30/360**" "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the OBG Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the OBG Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the OBG Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the OBG Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the OBG Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the OBG Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the OBG Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the OBG Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the OBG Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the OBG Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the OBG Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the OBG Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the OBG Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the OBG Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the OBG Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the OBG Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the OBG Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the OBG Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

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

"**Dealer**" means UBS Europe SE and any other entity which may be appointed as such by the Issuer pursuant to the Programme Agreement.

"**Decree 190**" means the Italian Legislative Decree No. 190 of 5 November 2021, transposing Directive (EU) No. 2162/2019 into Italian law.

"**Due for Payment Date**" means the date on which the Guarantor Default Notice is served on the Guarantor. If the Due for Payment Date is not a Business Day, the date determined in accordance with the Business Day Convention specified as applicable in the relevant Final Terms.

"**Earliest Maturing Covered Bonds**" means, at any time, the relevant Series of Covered Bonds that has the earliest Maturity Date as specified in the applicable Final Terms.

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

"**Early Redemption Date**" means, as applicable, the Optional Redemption Date (Call), the Optional Redemption Date (Put) or the date on which any Series of Covered Bonds is to be redeemed pursuant to Condition 8(c) (*Redemption for tax reasons*) or Condition 8(g) (*Redemption due to illegality*).

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

"**Eligible Assets**" means the Mortgage Loans.

"**Eligible Deposits**" means deposits eligible pursuant to article 129, paragraph 1, let. (c) of the CRR.

Eligible Institution means (i) any depository institution (other than BPER acting as Account Bank) organised under the laws of any state which is a member of the European Union, United Kingdom, Switzerland or of the United States, the short-term banks deposits are rated at least "P-1" by Moody's and the long term banks deposits are rated at least "A2" by Moody's, or which is guaranteed by an entity whose short-term banks deposits are rated at least "P-1" by Moody's, and the long-term banks deposits are rated at least "A2" by Moody's or any other rating level from time to time provided for in the Rating Agency's criteria and (ii) with respect to BPER acting as Account Bank, BPER for so long as its long term bank deposits, are rated at least "Baa3" by Moody's.

"**Eligible Investment**" means

(A) euro-denominated senior (unsubordinated) debt securities or other debt instruments provided that (i) such investments are immediately repayable on demand at par together with accrued and unpaid interest, disposable without penalty or loss or have a maturity date falling no later than the immediately following Liquidation Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (iii) the debt securities or other debt instruments are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least (1) either "Baa3" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or such other lower rating being compliant with the criteria established by Moody's from time to time; (2) either "Baa2" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other lower rating being compliant with the criteria established by Moody's from time to time;

(B) euro-denominated demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company (including, without limitation, the Account Bank, provided that they qualify as an Eligible Institution) qualifying as Eligible Institution and subject to supervision and examination by governmental banking authorities, provided that such investments shall have a minimum rating equal to the ones reported on the following table:

Maturity	Rating Moody's
Up to 9 months	"Baa2" in respect of long-term debt or, if no long-term rating is available, "P-2" in respect of short-term debt"
Up to 1 month	"Baa3" in respect of long-term debt or, if no long-term rating is available, "P-3" in respect of short-term debt

(C) any eligible asset and/or public entity securities and/or notes issued in the context of securitisations transactions (other than securitisation transactions were originated by a member of the same consolidated group of which the Issuer is also a member or by an entity affiliated to same central body to which the Issuer is also affiliated) and/or covered bonds, in each case pursuant to the OBG Regulations, provided that, in all cases, such investments shall from time to time comply with Moody's requirements in respect of type of asset, minimum rating and maturity;

(D) repurchase transactions in respect of euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling no later than the immediately following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) provided that either (a) the debt securities or other debt instruments underlying the repurchase transactions are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, or (b) the counterparty of the Guarantor under the repurchase transaction is, an institution whose unsecured and unsubordinated debt obligations are rated at least (1) either "Baa3" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or such other lower rating being compliant with the criteria established by Moody's from time to time; (2) either "Baa2" by Moody's in respect of long-term debt or, if no long-term rating by Moody's is available, "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other lower rating being compliant with the criteria established by Moody's from time to time; and

(E) securities lending transactions with the counterparty acting as borrower regulated under the Global Master Securities Agreements governed by English law provided that (i) the underlying securities comply with the requirements set out in paragraph (A) above, (ii) the counterparty acting as borrower of the Guarantor acting as lender under the securities lending transaction is a credit institution (including, without limitation, the Account Bank, to the extent they qualify as Eligible Institutions) qualifying as an Eligible Institution, (iii) such securities lending transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling no later than the immediately following

Liquidation Date, (iv) the counterparty acting as borrower of the Guarantor has acceded to the Intercreditor Agreement and has agreed to be bound by the provisions thereof and (v) in case of downgrade of the relevant counterparty below the minimum ratings by Moody's, the Guarantor shall terminate in advance the securities lending transaction within 35 calendar days from the downgrade,

provided that, in any event, (i) none of the investments set out above may consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in any such instruments at any time (ii) nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in asset-backed securities, irrespective of their subordination, status, or ranking at any time and (iii) the relevant exposure qualifies as "credit quality step 1" or "credit quality step 2" 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 qualifies as at least "credit quality step 3" pursuant to Article 129, let. (c) of the CRR, as amended and supplemented from time to time;

"**ESM Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan (and includes any Relevant Clearing System which holds account with Euronext Securities Milan or any depository banks appointed by the Relevant Clearing System).

"**EURIBOR**" has the meaning given to such term in Condition 6(c).

"**Euro**", "**€**" and "**EUR**" refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the treaty establishing the European Community.

"**Euro Equivalent**" means, at any date, in relation to a loan, a bond or any other asset, the aggregate nominal principal amount outstanding of such loan, bond, or asset as at such date denominated in Euro where, if denominated in another currency, the exchange rate corresponds to (i) the current exchange rate fixed by the Calculation Agent in accordance with its usual practice at that time for calculating that equivalent should any currency hedging agreement not be in place or (ii) the exchange rate indicated in the relevant currency hedging agreement if such agreement is in place.

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

"**Euronext Securities Milan**" means Euronext Securities Milan, which commercial name is Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

"**Excess Proceeds**" means the amounts collected, received or recovered by the Guarantor as a result of any enforcement taken *vis-à-vis* the Issuer in accordance with article 7-*quaterdecies*, paragraph 3 of Law 130.

"**Excess Swap Collateral**" means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the relevant Swap Counterparty to the Guarantor in respect of the relevant Swap Counterparty's obligations to transfer collateral to the Guarantor under the credit support annex to the relevant Swap Agreement (i) which is in excess of the termination payment (if any) that would have otherwise been payable by the relevant Swap Counterparty to the Guarantor had the collateral not been provided under the credit support annex to the relevant Swap Agreement as at the date of termination of the relevant Covered Bond Swap or Mortgage Pool Swap (as applicable) or (ii) which the relevant Swap Counterparty is otherwise entitled to have returned to it under the terms of the relevant Swap Agreement.

"**Expenses Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Exposure Limit**" means the limits provided under article 129, paragraph 1-*bis* of CRR, provided that pursuant to article 129 paragraph 3-*bis*of CRR, such limits shall not apply to "cessioni di ripristino" pursuant to the Master Transfer Agreements for purposes of complying with the Nominal Value Test.

"**Extended Maturity Date**" means, in relation to any Series of Covered Bonds, the date falling on 28 October 2050.

"**Extension Determination Date**" means the date falling seven Business Days after the Maturity Date of the relevant Series of Covered Bonds.

"**Extraordinary Resolution**" has the meaning given 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 specified in, or determined in the manner specified in, the applicable Final Terms which, in respect of any Series of Covered Bonds other than Zero Coupon Covered Bonds (which will always be redeemed at least at 100% of their nominal amount), shall be equal to the nominal amount of the relevant Covered Bond.

"**Fixed Coupon Amount**" has the meaning given to such term in the relevant Final Terms.

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

"**Fixed Rate Provisions**" means the relevant provisions set out in Condition 5 (*Fixed Rate Provisions*).

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

"**Floating Rate Provisions**" means the relevant provisions set out in Condition 6 (*Floating Rate Interest Provisions*).

"**Guaranteed Amounts**" means (i) following the service of a Notice to Pay but prior to the service of a Breach of Amortisation Test Notice or the service of a Guarantor Default Notice, with respect to any Scheduled Due for Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Scheduled Due for Payment Date, and (ii) following the service of a Breach of the Amortisation Test Notice on the Guarantor but prior to the service of a Guarantor Default Notice, with respect to any Scheduled Due for Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Scheduled Due for Payment Date or (iii) after the service of a Guarantor Default Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds on the Due for Payment Date, including all Additional Scheduled Interest Amounts and all Additional Scheduled Principal Amounts (whenever the same arose) and any other amount payable by the Guarantor under the Covered Bonds provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or Extended Maturity Date, as the case may be) shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was paid by or on behalf of the Issuer to the Covered Bondholders to the extent it has been clawed back and recovered from the Covered Bondholders by the receiver, conservator, debtor-in-possession or trustee in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the **Clawed Back Amounts**) .

"**Guarantor Calculation Agent**" means Banca Finanziaria Internazionale S.p.A., acting as such pursuant to the Cash Management and Agency Agreement or any permitted successor or assignee thereof.

"**Guarantor Event of Default**" has the meaning given to such term in Condition 11(d) (*Guarantor Event of Default*).

"**Guarantor Default Notice**" means the notice served by the Representative of the Covered Bondholders on the Guarantor in accordance with the Intercreditor Agreement, upon the occurrence of a breach of the Guarantor Event of Default.

"**Guarantor Payment Date**" means (a) prior to the service of a Guarantor Default Notice, the 28th day of January, April, July and October or if any such day is not a Business Day, the following Business Day or (b) following the service of a Guarantor Default Notice, the Due for Payment Date.

"**Implementation Date**" means 31 March 2023 on which the 42nd amendment to the BoI Regulations in relation to the "*obbligazioni bancarie garantite*", issued by the Bank of Italy on 30 March 2023, has entered into force.

"**Initial Issue Date**" means the date on which the Issuer has issued the first Series of Covered Bonds (*i.e.* 16 December 2015).

"**Initial Receivables**" means the first portfolio of monetary claims arising from Mortgage Loans transferred by the Initial Seller to the Guarantor pursuant to the BPER Master Transfer Agreement.

"**Initial Seller**" means BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa).

"**Initial Valuation Date**" means 30 June 2015.

"**Instalment Covered Bonds**" means Covered Bonds specified as being redeemable in instalments in the relevant Final Terms.

"**Integration Assets**" means (i) the assets mentioned in Article 129, paragraph 1, letter (c), of the CRR which meet the requirements set forth under article 129, paragraph 1(a), of the CRR and article 7-*novies* of Law 130, and (ii) the Public Entity Securities or other exposures mentioned in article 129, paragraph 1, letter (a) and (b), of the CRR, provided that the assets referred to in items (i) and (ii) above are qualified as eligible assets pursuant to article 7-novies of Law 130 and article 129 of the CRR.

"**Integration Assignment**" means the assignment of Receivables and/or Integration Assets and/or the Liquid Assets made in order to restore the respect of the Tests, the Liquidity Buffer Target Amount and/or the Exposure Limit for which a breach has been verified, or in order to prevent such breach, pursuant to and in accordance with the relevant Master Transfer Agreement and the other Transaction Documents.

"**Intercreditor Agreement**" means the agreement entered into on or about the Initial Issue Date, as amended from time to time and on 29 September 2023, between, *inter alios,* the Guarantor, the Servicer, the Issuer, the Representative of the Covered Bondholders and the other Secured Creditors, as subsequently further amended.

"**Interest Amount**" means:

(i) in relation to any Series of Covered Bonds which are Fixed Rate Covered Bonds, and unless otherwise specified in the relevant Final Terms, the amount of interest determined in accordance with the Fixed Rate Provisions; and

(ii) in relation to any Series of Covered Bonds which are Floating Rate Covered Bonds, the amount of interest payable per Calculation Amount for the relevant CB Interest Period.

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

(A) any interest component (other than any amounts necessary to meet the Liquidity Buffer Target Amount) collected by the Servicer in respect of the Receivables, the Integration Assets and/or the Liquid Assets and credited into the Collection Account or Payments Account, as the case may be, during the Collection Period preceding the relevant Guarantor Payment Date together with any amount retained in the Collection Account from the Interest Available Funds on the preceding Guarantor Payment Date (if any);

(B) without duplication of (A) above, an amount equal to the interest components invested in Eligible Investments (if any) during the Collection Period preceding the relevant Guarantor Payment Date, following liquidation thereof;

(C) all recoveries in the nature of interest and penalties received by the Servicer and credited to the Collection Account during the Collection Period preceding the relevant Guarantor Payment Date;

(D) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts and on the Eligible Deposits during the Collection Period preceding the relevant Guarantor Payment Date;

(E) all interest amounts received from the Eligible Investments during the Collection Period preceding the relevant Guarantor Payment Date;

(F) any amount received in respect of such Guarantor Payment Date under the Mortgage Pool Swaps;

(G) any amount received in respect of such Guarantor Payment Date under the Covered Bond Swaps;

(H) any premium received (net of any costs reasonably incurred by the Guarantor (if any) to find a replacement swap counterparty), if any, by the Guarantor from a replacement swap counterparty in consideration for entering into a swap transaction with the Guarantor on the same terms as the Mortgage Pool Swaps or the Covered Bond Swaps (as applicable), upon termination of the relevant Swap Agreement;

(I) any amount standing to the credit of the Cash Reserve Account in excess of the Required Reserve Amount; prior to the service of a Guarantor Default Notice on the Guarantor, any amount standing to the credit of the Cash Reserve Account (but excluding item (B)(b) of the definition of Required Reserve Amount calculated as at the relevant Guarantor Payment Date), in each case at the end of the Collection Period preceding the relevant Guarantor Payment Date; following the service of a Guarantor Default Notice on the Guarantor, any amount standing to the credit of the Cash Reserve Account; and, on the Guarantor Payment Date on which all Covered Bonds have been redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amount standing to the credit of the Cash Reserve Account;

(J) on the Guarantor Payment Date on which all Covered Bonds have been redeemed or cancelled in full and no more Covered Bonds may be issued under the Programme, any amount standing to the credit of the Expenses Account; and

(K) any amount (other than the amounts already allocated under other items of the Interest Available Funds or Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period, but excluding (i) any amount representing principal received in respect of such Guarantor Payment Date under the Covered Bond Swaps which are currency swaps; (ii) any amount paid by the relevant Swap Counterparty upon termination of the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable) in respect of any termination payment and, until a replacement swap counterparty has been found, exceeding the net amounts which would have been due and payable by the relevant Swap Counterparty with respect to the next Guarantor Payment Date, had the relevant Covered Bond Swap and/or Mortgage Pool Swap (as applicable) not been terminated; (iii) the Collateral (if any); and (iv) any amount received by the Guarantor in respect of a Tax Credit (as defined in the relevant Swap Agreement).

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

"**Interest Commencement Date**" means, in relation to any Tranche of Covered Bonds, the Issue Date of such Covered Bonds or such other date as may be specified as Interest Commencement Date in the relevant Final Terms.

"**Interest Coverage Test**" has the meaning given to such term in the Cover Pool Administration Agreement.

"**Interest Determination Date**" has the meaning given to such term in the relevant Final Terms.

"**Investment Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Investment Agent**" means BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa) or any permitted successor or assignee thereof.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of Covered Bonds.

"**ISDA Determination**" means that the Rate of Interest will be determined in accordance with Condition 6(c)(ii) (*ISDA Determination for Floating Rate Covered Bonds*).

"**Issue Date**" means the date of issue of a Tranche of Covered Bonds as specified in the relevant Final Terms.

"**Issue Price**" has the meaning given to such term in the relevant Final Terms.

"**Issuer**" means BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna Società Cooperativa).

"**Issuer Event of Default**" has the meaning given to such term in Condition 11(a) (*Issuer Events of Default*).

"**Liquid Assets"** means the assets referred to article 7-*duodecies*, paragraph 2, letters (a) and (b) of Law 130, provided that such assets meet the requirements to qualify as eligible assets under article 129 of the CRR and Law 130.

"**Liquidation Date**" means (a) one Business Day prior to the relevant Payments Report Date for any amount other than any Principal Available Funds or (b) one Business Day prior to the Payments Report Date falling on six months after the immediately following Payments Report Date for the Principal Available Funds.

"**Liquidity Buffer Account**" means the account that may be opened in the name of the Guarantor with the Account Bank in accordance with the Cash Management and Agency Agreement.

"**Liquidity Buffer Securities Account**" means the account that may be opened in the name of the Guarantor with the Account Bank in accordance with the Cash Management and Agency

Agreement.

"**Liquidity Buffer Target Amount**" means the liquidity buffer requirement pursuant to Article 7-*duodecies* of Law 130, as set out in the Cover Pool Administration Agreement.

"**Luxembourg Listing Agent**" means Banque International à Luxembourg SA, or any successor provided appointed from time to time in respect of the Programme.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Initial Issue Date, as amended from time to time and on 29 September 2023, between the Representative of the Covered Bondholders and the Guarantor, as subsequently further amended.

"**Mandatory Tests**" means the tests provided for under article 7-*undecies*, paragraph 1, of Law 130, and namely the Nominal Value Test, the NPV Test and the Interest Coverage Test.

"**Margin**" has the meaning given to such term in the relevant Final Terms.

"**Master Transfer Agreements**" means the BPER Master Transfer Agreement and each Additional Master Transfer Agreement (if any) and each of them a "**Master Transfer Agreement**", as the context requires.

"**Maturity Date**" has the meaning given to such term in the relevant Final Terms.

"**Maximum Rate of Interest**" has the meaning given to such term in the relevant Final Terms.

"**Maximum Redemption Amount**" has the meaning given to such term in the relevant Final Terms.

"**Meeting**" has the meaning given to such term in the Rules of the Organisation of the Covered Bondholders.

"**MEF Decree**" means the Decree of the Ministry of Economy and Finance No. 310 of 14 December 2006, as amended from time to time, concerning the implementation of the provisions set forth in Article 7-bis of Law 130 about covered bonds, repealed by Decree 190.

"**Minimum OC Requirement**" means 5% minimum level of overcollateralization as per article 129 of the CRR and in accordance with the OBG Regulations.

"**Minimum Rate of Interest**" has the meaning given to such term in the relevant Final Terms.

"**Minimum Redemption Amount**" has the meaning given to such term in the relevant Final Terms.

"**Monthly Calculation Date**" means, following the delivery of a Test Performance Report assessing that a breach of Test or the Liquidity Buffer Target Amount or, if applicable, the Amortisation Test or the Minimum OC Requirement, has occurred, the 13th day of the month immediately following the date of such Test Performance Report and, thereafter, the 13th day of each month until the relevant breach of Test or the Liquidity Buffer Target Amount or, if applicable, the Amortisation Test or the Minimum OC Requirement, has been cured or otherwise remedied in accordance with the Cover Pool Administration Agreement, or, if any such day is not a Business Day, the immediately following Business Day.

"**Moody's**" means Moody's Italia S.r.l. or, as the case may be, Moody's France SAS.

"**Mortgage Loans**" means Italian residential and commercial mortgage loans (respectively *mutui ipotecari residenziali* and *mutui ipotecari commerciali*) having the characteristics set out in Article 2, paragraph 1, let. (a) and (b), of the MEF Decree with respect to loans assigned prior to the Implementation Date or, with respect to loans assigned on or after the Implementation Date, set out in article 129, paragraph 1, letter (d) and (f), of the CRR and article 7-novies of Law 130.

“**Mortgage Pool Swap**” means each mortgage pool swap agreement which may be entered into between the Guarantor and the relevant Mortgage Pool Swap Counterparty in order to hedge interest rate risk on the Cover Pool or a portion thereof.

“**Mortgage Pool Swap Counterparty**” means each swap counterparty which agrees to act as such under a Mortgage Pool Swap.

“**Negative Carry Factor**” means 0.50 per cent.

“**Nominal Value Test**” has the meaning given to such term in the Cover Pool Administration Agreement.

“**Non-Performing Loan**” means a receivable which has been for at least 180 consecutive days in arrears, or which has been classified as a *credito in sofferenza* pursuant to the Servicing Agreement.

“**Notice to Pay**” means the notice to be served by the Representative of the Covered Bondholders on the Issuer and the Guarantor pursuant to the Intercreditor Agreement upon the occurrence of an Issuer Event of Default.

“**NPV Test**” has the meaning given to such term in the Cover Pool Administration Agreement.

“**Official Gazette**” means the *Gazzetta Ufficiale della Repubblica Italiana*.

“**Optional Redemption Amount (Call)**” means, in respect of any Tranche of Covered Bonds, the principal amount of such 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 Tranche of Covered Bonds, the principal amount of such 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 given to such term in the relevant Final Terms.

“**Optional Redemption Date (Put)**” has the meaning given to such term in the relevant Final Terms.

“**Order**” means a final, non-appealable judicial decision, ruling or award from a court of competent jurisdiction.

“**Organisation of the Covered Bondholders**” means the organisation of the Covered Bondholders created by the issue and subscription of the first Series of Covered Bonds and regulated by the Rules of the Organisation of the Covered Bondholders attached hereto as a schedule.

“**Outstanding Principal Balance**” means, at any date, in relation to a loan, a bond, a Pass Through Series or Series of Covered Bonds or any other asset, the aggregate nominal principal amount outstanding (including, for the avoidance of doubt, any principal fallen due but unpaid) of such loan, bond, Series of Covered Bonds or asset at such date.

"**Pass Through Series**" means (A) any Series of Covered Bonds in respect of which (i) the Issuer has failed to repay in whole or in part the relevant Final Redemption Amount on the applicable Maturity Date and a Notice to Pay has been served on the Guarantor; and (ii) the Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of Covered Bonds on the relevant Extension Determination Date; (B) all Series of Covered Bonds if a Notice to Pay has been delivered (and, in case of a Notice to Pay delivered as result of an Article 74 Event, prior to the delivery of an Article 74 Event Cure Notice) and a Breach of Amortisation Test

Notice has been served.

"**Paying Agents**" means the Primary Paying Agent, the Subsequent Paying Agent and each other paying agent appointed from time to time under the terms of the Cash Management and Agency Agreement.

"**Payments Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Payments Report Date**" means five Business Days following each Calculation Date.

"**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 Specified Currency is Euro, a T2 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 Specified Currency is not Euro, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the country of the relevant Specified Currency and in each (if any) Additional Financial Centre.

"**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 Bondholder, the place in which the ESM Account Holder for which such Covered Bondholder receives payment of interest or principal on the Covered Bonds is located.

"**Post-Breach of Amortisation Test Priority of Payments**" means the order of priority pursuant to which the Available Funds shall be applied on each Guarantor Payment Date following the delivery of an Breach of Amortisation Test Notice, as set out in the Intercreditor Agreement.

"**Post-Guarantor Event of Default Priority of Payments**" means the order of priority pursuant to which the Available Funds shall be applied on each Guarantor Payment Date following the delivery of an Guarantor Default Notice, as set out in the Intercreditor Agreement.

"**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 a Notice to Pay, as set out in 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 a Notice to Pay, as set out in the Intercreditor Agreement.

"**Post-Issuer Event of Default Priority of Payments**" means the order of priority pursuant to which the Available Funds shall be applied on each Guarantor Payment Date following the delivery of a Notice to Pay, as set out in the Intercreditor Agreement.

"**Primary Paying Agent**" means BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa) or any permitted successor or assignee thereof.

"**Principal Available Funds**" means in respect of any Guarantor Payment Date, the aggregate of, without duplication:

(a) all principal amounts (other than any amounts necessary to meet the Liquidity Buffer Target Amount) collected by the Servicer in respect of the Receivables, the Integration Assets and/or Liquid Assets and credited to the Collection Account or the Payments Account, as the case may be, during the Collection Period preceding the relevant Guarantor Payment Date together with any amount retained in the Collection Account from the Principal Available Funds on the preceding Guarantor Payment Date (if any);

(b) all other recoveries in the nature of principal collected by the Servicer and credited to the Collection Account during the Collection Period preceding the relevant Guarantor Payment Date;

(c) all proceeds deriving from the sale, if any, of the Receivables, Integration Assets and/or Liquid Assets during the Collection Period preceding the relevant Guarantor Payment Date;

(d) without duplication with any of the proceeds deriving from the sale of the Receivables, Integration Assets and/or Liquid Assets under (c) above, all amounts of principal deriving from the liquidation of Eligible Investments;

(e) all amounts representing principal received in respect of such Guarantor Payment Date under any Covered Bond Swap which is a currency swap, if any;

(f) any amount to be transferred pursuant to item (vi) of the Pre-Issuer Event of Default Interest Priority of Payments;

(g) any amount (other than the amounts already allocated under other items of the Interest Available Funds or the Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period;

(h) all amounts of principal standing to the credit of the Eligible Deposits at the end of the Collection Period preceding the relevant Guarantor Payment Date; and

(i) following a Notice to Pay all principal amounts standing to the credit of the Liquidity Buffer Account as at the relevant Calculation Date,

but excluding (i) any amount paid by the relevant Covered Bond Swap Counterparty upon termination of the relevant Covered Bond Swap, which is a currency swap, in respect of any termination payment and, until a replacement swap counterparty has been found, exceeding the net amounts which would have been due and payable by the relevant Covered Bond Swap Counterparty with respect to the next Guarantor Payment Date, had the relevant Covered Bond Swap, which is a currency swap, not been terminated; (ii) the Collateral (if any); and (iii) any amount received by the Guarantor in respect of a Tax Credit (as defined in the relevant Swap Agreement).

"**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 Primary 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 Primary Paying Agent.

"**Priority of Payments**" means, as the context requires, any of the Pre-Issuer Event of Default Interest Priority of Payments, Pre-Issuer Event of Default Principal Priority of Payments, Post-Issuer Event of Default Priority of Payments, Post-Breach of Amortisation Test Priority of Payments or Post-Guarantor Event of Default Priority of Payments.

"**Programme Limit**" means up to Euro 7,000,000,000 (and, for this purpose, any Covered Bonds (*Obbligazioni Bancarie Garantite*) denominated in another currency shall be translated into Euro at the date of the agreement to issue such Covered Bonds, and the Euro exchange rate used shall be included in the Final Terms) in aggregate principal amount of Covered Bonds outstanding at any one time.

"**Programme Resolution**" has the meaning given to such term in the Rules of the Organisation of the Covered Bondholders.

"**Public Entity Securities**" means any securities which meet the requirements set out under article 129, paragraph 1, let. (a) and (b) and art. 7-*novies* of Law 130.

"**Put Option**" has the meaning given to such term in the relevant Final Terms.

"**Put Option Notice**" means a notice which must be delivered to the Primary Paying Agent and the Representative of the Covered Bondholders by any Covered Bondholder intending to exercise its right to redeem Covered Bonds in accordance with Condition 8(f) (*Redemption at the option of Covered Bondholders*).

"**Put Option Receipt**" means a receipt issued by the Primary Paying Agent to a depositing Covered Bondholder upon deposit of the Covered Bond with such Primary Paying Agent by any Covered Bondholder intending to exercise its right to redeem Covered Bonds in accordance with Condition 8(f) (*Redemption at the option of Covered Bondholders*).

"**Quota Capital Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Quotaholders' Agreement**" means the quotaholders' agreement executed on or about the Initial Issue Date, as amended from time to time and on 29 September 2023, by, *inter alios,* the Issuer and SVM Securitisation Vehicles Management S.r.l., as subsequently further amended.

"**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.

"**Rating Agency**" means Moody's.

"**Receivables**" means collectively the Initial Receivables and the Subsequent Receivables.

"**Redemption/Payment Basis**" has the meaning given to such term in 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 or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

"**Reference Banks**" has the meaning given to such term in the relevant Final Terms or, if none, four major banks selected by the Primary Paying Agent in the market that is most closely connected with the Reference Rate, provided that under no circumstance the Subsequent Paying Agent shall substitute the Primary Paying Agent in the selection of the Reference Banks.

"**Reference Price**" has the meaning given to such term in the relevant Final Terms.

"**Reference Rate**" has the meaning given to such term in the relevant Final Terms.

"**Registered Paying Agent**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Registrar**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Regular Period**" means:

(a) 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 CB Payment Date and each successive period from and including one CB Payment Date to but excluding the next CB Payment Date;

(b) in the case of Covered Bonds where, apart from the first CB 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 CB Payment Date falls; and

(c) in the case of Covered Bonds where, apart from one CB Interest Period other than the first CB 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 CB Payment Date falls other than the CB Payment Date falling at the end of the irregular CB Interest Period.

"**Relevant Clearing System**" means Euroclear and/or Clearstream, and/or any other clearing system (other than Euronext Securities Milan) specified in the relevant Final Terms as a clearing system through which payments under the Covered Bonds may be made.

"**Relevant Date**" means, in relation to any payment in respect of the Covered Bonds, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date which is seven days after that on which the Primary 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).

"**Relevant Dealer(s)**" means, in relation to any Tranche, the Dealer or Dealers with or through whom an agreement to issue Covered Bonds has been concluded, or is being negotiated, by the Issuer.

"**Relevant Financial Centre**" has the meaning given to such term 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 to such term in the relevant Final Terms.

"**Representative of the Covered Bondholders**" means the entity that will act as representative of the holders of each Covered Bond pursuant to the Transaction Documents and any permitted successor or assignee thereof.

"**Required Redemption Amount**" means, (a) in respect of a Series of Covered Bonds, the sum of the Outstanding Principal Balance of the relevant Series Covered Bonds and the product of (i) the weighted average remaining maturity of the relevant Series of Covered Bonds expressed in days and divided by 365, (ii) the Euro Equivalent amount of the Outstanding Principal Balance of the relevant Series Covered Bonds, and (iii) Negative Carry Factor * 0,50; (b) in respect of a Pass Through Series of Covered Bonds, the Outstanding Principal Balance of such Pass Through Series of Covered Bonds.

"**Required Reserve Amount**" means, in respect of each relevant Guarantor Payment Date:

(A) if the Issuer's short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least "P-1" by Moody's, nil or such other amount as agreed between the Issuer and the Guarantor from time to time; otherwise

(B) an amount to be determined on each relevant Calculation Date which will be equal to the aggregate amount of:

  (a) the aggregate amount payable on the immediately following Guarantor Payment Date in respect of items (ii) and (iii) of the Pre-Issuer Event of Default Interest Priority of Payments;

  (b) the higher of (i) zero and (ii) the net amount that would be payable by the Guarantor on any relevant Covered Bond Swap in the immediately following three months or, if no Covered Bond Swap has been entered into or if it has been entered into with BPER in relation to a Series of Covered Bonds, the interest amount due under that Series of Covered Bonds in the immediately following three months; and

  (c) Euro 400,000.00.

"**Revolving Assignment**" has the meaning given to the expression "*Cessioni Successive Revolving*" under the Master Transfer Agreement.

"**Sale Date**" has the meaning given to such term in the Cover Pool Administration Agreement.

"**Sale Date After the Service of a Breach of Amortisation Test Notice**" has the meaning given to such term in the Cover Pool Administration Agreement.

"**Scheduled Due for Payment Date**" means:

(a) (i) each Scheduled Payment Date in respect of the relevant Guaranteed Amounts, and (ii) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default and if the relevant Notice to Pay has been served on any CB Payment Date or within two Business Days after any CB Payment Date, the day which is seven Business Days after such CB Payment Date;

(b) if the relevant Series of Covered Bonds has become a Pass Through Series, such CB Payment Date(s) as specified in the relevant Final Terms and provided that the final Maturity Date of the relevant Pass Through Series shall be the Extended Maturity Date; or

(c) after the occurrence of a breach of the Amortisation Test and service of a Breach of the Amortisation Test Notice on the Guarantor and provided that all the outstanding Series of Covered Bonds have become Pass Through Series, such CB Payment Date(s) as specified in the relevant Final Terms and provided that the final Maturity Date of all outstanding Pass Through Series shall be the Extended Maturity Date.

"**Scheduled Interest**" means an amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each CB Payment Date as specified in the Conditions and the applicable Final Terms falling on or after service of a Notice to Pay on the Guarantor and, where applicable after the Maturity Date, such other amounts of interest as may be specified in the relevant Final Terms, in each case less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made in the circumstances set out in the Conditions. The Scheduled Interest shall: (i) prior to the service of a Guarantor Default Notice, exclude any additional amounts relating to premiums, default interest or interest upon interest payable by the Issuer following the service of a Notice to Pay (the "**Additional Scheduled Interest Amounts**"); and (ii) after the service of a Guarantor Default Notice, include such Additional Scheduled Interest Amounts (whenever the same arose) had the Covered Bonds not become due and repayable prior to their Maturity Date or Extended Maturity Date (if so specified in the relevant Final Terms).

"**Scheduled Payment Date**" means, in relation to payments under the Covered Bond Guarantee, each CB Payment Date.

"**Scheduled Principal**" means an amount equal to the amount in respect of principal which would have been due and payable under the Covered Bonds on each CB Payment Date or the Maturity Date (as the case may be) as specified in the Conditions and the applicable Final Terms. The Scheduled Principal shall: (i) prior to the service of a Guarantor Default Notice, exclude any additional amount relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable by the Issuer following the service of a Notice to Pay (the "**Additional Scheduled Principal Amounts**"); and (ii) after the service of a Guarantor Default Notice, include such Additional Scheduled Principal Amounts (whenever the same arose) had the Covered Bonds not become due and repayable prior to their Maturity Date or, if the Final Terms specifies that an Extended Maturity Date is applicable to such relevant Series, such Extended Maturity Date.

"**Screen Rate Determination**" means that the Rate of Interest will be determined in accordance with Condition 6(c)(i) (*Screen Rate Determination for Floating Rate Covered Bonds*).

"**Secured Creditors**" means, collectively, the Covered Bondholders, the Representative of the Covered Bondholders (in its own capacity and as legal representative of the Covered Bondholders), the Initial Seller, the Additional Sellers (if any), the Subordinated Loan Provider(s), the Servicer, the Corporate Servicer, the Account Bank, the Back-up Account Bank, the Subsequent Paying Agent, the Primary Paying Agent, the Investment Agent, the Swap Counterparties, the Cash Manager, the Asset Monitor, the Cover Pool Manager (if any), the Registered Paying Agent (if any), the Registrar (if any), the Guarantor Calculation Agent, the Calculation Agent and any additional party who accedes to the Intercreditor Agreement.

"**Securities Account**" has the meaning given to such term in the Cash Management and Agency Agreement.

"**Selected Assets**" has the meaning given to such term in the Cover Pool Administration Agreement.

"**Selected Assets After the Service of a Breach of Amortisation Test Notice**" has the meaning given to such term in the Cover Pool Administration Agreement.

"**Sellers**" means, collectively, the Initial Seller and the Additional Sellers (if any).

"**Series**" or "**Series of Covered Bonds**" means a series of Covered Bonds comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their Issue Price) have identical terms on issue and are expressed to have the same series number.

"**Servicer**" means BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa) or any successor servicer appointed from time to time in respect of this Programme.

"**Servicer Report**" means the report prepared and submitted by the Servicer to the Guarantor, the Corporate Servicer, the Calculation Agent, the Representative of the Covered Bondholders, the Rating Agency, the Guarantor Calculation Agent and the Mortgage Pool Swap

Counterparties, in the form set out in the Servicing Agreement, containing information as to the collections and recoveries made in respect of the Receivables, the Integration Assets and/or the Liquid Assets during the preceding Collection Period.

"**Servicing Agreement**" means the servicing agreement entered into on 17 September 2015, as amended from time to time and on 29 September 2023, between the Guarantor and the Servicer, as subsequently further amended.

"**Specified Currency**" has the meaning given to such term in the relevant Final Terms.

"**Specified Denomination(s)**" means Euro 100,000 and integral multiples of Euro 1,000 in excess thereof or such higher denomination as may be specified in the applicable Final Terms (or its equivalent in another currency as at the date of issue of the relevant Covered Bonds).

"**Specified Office**" means, with reference to the Primary Paying Agent, its office at via Aristotele 195, Modena, Italy or such other office in the same city or town as the Primary Paying Agent may specify by notice to the Issuer and the other parties to the Cash Management and Agency Agreement in the manner provided therein.

"**Specified Period**" has the meaning given to such term in the relevant Final Terms.

"**Subordinated Loan Agreements**" means the BPER Subordinated Loan Agreement and each Additional Subordinated Loan Agreement (if any), and each of them a "**Subordinated Loan Agreement**", as the context requires.

"**Subordinated Loan Provider**" means any of BPER and the Additional Seller, and any respective successor thereof, appointed as subordinated loan provider in accordance with the terms of the relevant Subordinated Loan Agreement.

"**Subsequent Paying Agent**" means The Bank of New York Mellon SA/NV – Milan Branch or any permitted successor or assignee thereof.

"**Subsequent Portfolios**" means any portfolio of Eligible Assets and/or Integration Assets and/or Liquid Assets which, further to the sale of the Initial Receivables, the Guarantor shall purchase from the Initial Seller and/or the Additional Sellers pursuant to the relevant Master Transfer Agreement.

"**Subsidiary**" has the meaning given to such term in article 2359 of the Italian Civil Code.

"**Swap Agreements**" means, collectively, each Mortgage Pool Swap and each Covered Bond Swap.

"**Swap Collateral Account**" has the meaning given to such expression in the Intercreditor Agreement.

"**Swap Counterparties**" means, collectively, the Mortgage Pool Swap Counterparties and the Covered Bond Swap Counterparties and "**Swap Counterparty**" means any one of them as the context requires.

"**Swap Trigger**" means the occurrence of an early termination of any Covered Bond Swap and/or Mortgage Pool Swap due to either:

(a) (i) the occurrence of a Rating Event and (ii) the failure by the relevant Swap Counterparty to take such action as is required in the relevant Swap Agreement to remedy such Rating Event; or

(b) the occurrence of an Event of Default (as defined in the relevant Swap Agreement (which, for the avoidance of doubt, is not the same as a Guarantor Event of Default or an Issuer Event of Default) and as designated as such by the Guarantor) in respect of the relevant

Swap Counterparty.

"**T2**" means the real time gross settlement system operated by the Eurosystem (T2) combining the functionalities of a Real Time Gross Settlement (RTGS) system with those of a Central Liquidity Management (CLM) system and which was launched on 20 March 2023.

"**T2 Settlement Day**" means any day on which the real time gross settlement system operated by the Eurosystem.

"**Test Performance Report**" means the report to be delivered, on each Calculation Date and/or Monthly Calculation Date and/or on any other date on which the Test or the Liquidity Buffer Target Amount or, if applicable, the Amortisation Test or the Minimum OC Requirement is to be performed under the Transaction Documents, as the case may be, by the Calculation Agent pursuant to the terms of the Cover Pool Administration Agreement.

"**Tests**" means, collectively, the Mandatory Tests, the Asset Coverage Test and the Amortisation Test.

"**Transaction Documents**" means, collectively, the Master Transfer Agreements, the Warranty and Indemnity Agreements, the Servicing Agreement, the Intercreditor Agreement, the Cover Pool Administration Agreement, the Corporate Services Agreement, the Subordinated Loan Agreements, the Covered Bond Guarantee, the Cash Management and Agency Agreement, the Asset Monitor Agreement, the Programme Agreement, the Quotaholders' Agreement, the Swap Agreements, the Subscription Agreement, the Mandate Agreement, these Conditions, the Rules of the Organisation of the Covered Bondholders and any document or agreement which supplements, amends or restates the content of any of the above-mentioned documents and any further documents or agreement entered into in connection with the Programme and designated as such by the Issuer, the Guarantor and the Representative of the Covered Bondholders.

"**Warranty and Indemnity Agreements**" means the BPER Warranty and Indemnity Agreement and the Additional Warranty and Indemnity Agreements (if any) and each of them a "**Warranty and Indemnity Agreement**", as the context requires.

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

"**Zero Coupon Provisions**" means the relevant provisions set out in Condition 7 (*Zero Coupon Provisions*).

(b) In these Conditions, the following events and the criteria are deemed to have occurred or been satisfied, as the case may be, as set out below:

an "**Insolvency Event**" will have occurred in respect of:

(a) the Issuer, that the Issuer is subject to *liquidazione coatta amministrativa* as defined in the Banking Act;

(b) any bank, company or corporation other than the Issuer, that:

(i) such bank, company or corporation becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, insolvency-like proceedings, composition with creditors, insolvent reorganization, turnaround/insolvency tools (*strumenti di regolazione della crisi e dell'insolvenza*) or negotiated settlement procedure (among which, without limitation, *liquidazione giudiziale*, *liquidazione coatta amministrativa*, *piani di risanamento*, *accordi di ristrutturazione del debito, piano di ristrutturazione soggetto ad omologazione, composizione negoziata della crisi, concordato semplificato* 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 also any equivalent or analogous proceedings under the law of the jurisdiction in which such bank, company or corporation is deemed to carry on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of such bank, company or corporation are subject to a *pignoramento* or similar 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 Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed by the Issuer in good faith with a reasonable prospect of success;

(ii) an application for the commencement of any of the proceedings under paragraph (i) above is made in respect of or by such bank, company or corporation or the same proceedings are otherwise initiated against such bank, company or corporation or notice is given of an intention to appoint an administrator in relation to such bank, company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success;

(iii) such bank, company 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 the Secured Creditors) 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; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of such bank, company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders) or any of the events under article 2484 of the Italian Civil Code occurs with respect to such bank, company or corporation; and

a "**Rating Event**" will have occurred in respect of a Swap Counterparty if the unsecured, unsubordinated debt obligations of such Swap Counterparty (or its guarantors) cease to be rated at least as high as the highest rating required under the relevant Swap Agreement.

(c) *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 10 (*Taxation in the Republic of Italy*), any premium payable in respect of any Covered Bond 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 10 (*Taxation in the Republic of Italy*) 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 from time to time;

(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 Series only; and

(vi) any reference to any Italian legislation (whether primary legislation or regulations or other subsidiary legislation enacted to implement 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 the 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 in bearer form and in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with Euronext Securities Milan in accordance with article 83-*bis* of the Financial Law, through the authorised institutions listed in article 83-*quater* of such legislative decree. The Covered Bonds will be held by Euronext Securities Milan on behalf of the Covered Bondholders until redemption or cancellation thereof for the account of the relevant ESM Account Holder. Euronext Securities Milan shall act as depository for Clearstream and Euroclear. The Covered Bonds will at all times be in book entry form and title to the Covered Bonds will be evidenced by, and title thereto will be transferred by means of, book entries in accordance with: (i) the provisions of article 83-*bis* of the Financial Law; and (ii) the regulation, regarding post-trading systems, issued by the Bank of Italy and CONSOB on 13 August 2018, as subsequently amended, in each case as amended and supplemented from time to time. 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.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Covered Bondholders, the Guarantor and the Paying Agents may (to the fullest extent permitted by applicable laws) deem and treat the ESM Account Holder, whose account is at the relevant time credited with a Covered Bond, as the absolute owner of such Covered Bond for the purposes of payments to be made to the holder of such Covered Bond (whether or not the Covered Bond is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Covered Bond or any notice of any previous loss or theft of the Covered Bond) and shall not be liable for doing so.

4. Status and Guarantee

(a) *Status of the Covered Bonds*

The Covered Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer 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, received, or recovered by the Guarantor on their behalf.

(b) *Status of the Covered Bond Guarantee*

The payment of Guaranteed Amounts in respect of each Covered Bond when due for payment will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Covered Bond Guarantee. However, the Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amount on the Due for Payment Date until the occurrence of an Issuer Event of Default and service by the Representative of the Covered Bondholders on the Issuer and the Guarantor of a Notice to Pay. Any payment made by the Guarantor under the Covered Bond Guarantee shall discharge the corresponding obligations of the Issuer under the Covered Bonds *vis-à-vis* the Covered Bondholders.

(c) *Priority of Payments*

Amounts due by the Guarantor pursuant to the Covered Bonds Guarantee shall be paid in accordance with the Priority of Payments, as set out in the Intercreditor Agreement, and recourse in respect of the Guarantor is limited in the manner described in Condition 14(*Limited Recourse and Non-Petition*).

5. Fixed Rate Provisions

(a) *Application*

This Condition 5 (*Fixed Rate Provisions*) is applicable only to Covered Bonds in respect of which the Fixed Rate Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest*

Each Fixed Rate Covered Bond bears interest on its Outstanding Principal Balance from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate of Interest. Interest payable in arrear on each CB Payment Date, subject as provided in Condition 9 (*Payments*), up to (and excluding) the Maturity Date, or, as the case may be, the Extended Maturity Date. Each Covered Bond will cease to accrue interest on the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the applicable Rate of Interest in the manner provided under this Condition 5 (*Fixed Rate Provisions*) to the Relevant Date.

(c) *Fixed Coupon Amount and Broken Amount*

Except as provided in the applicable Final Terms, the amount of interest payable in respect of each Fixed Rate Covered Bond for any CB Interest Period in respect of which the Fixed Rate Provisions apply will amount to the relevant Fixed Coupon Amount and, if the Covered Bonds are in more than one Specified Denomination, will amount to the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any CB Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

(d) *Calculation of interest amount*

If interest is required to be calculated for a period for which no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency (half a sub-unit being rounded upwards). For this purpose, a "**sub-unit**" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

6. Floating Rate Interest Provisions

(a) *Application*

This Condition 6 (*Floating Rate Interest Provisions*) is applicable only to Covered Bonds in respect of which the Floating Rate Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest*

Each Floating Rate Covered Bond bears interest on its Outstanding Principal Balance from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate of Interest payable in arrear on each CB Payment Date, subject as provided in Condition 9 (*Payments*) up to (and excluding) the Maturity Date, or, as the case may be, the Extended Maturity Date. Each Covered Bond will cease to accrue interest on the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the applicable Rate of Interest in the manner provided under this Condition 6 to the Relevant Date.

(c) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds, will be determined in the manner specified in the applicable Final Terms.

(i) *Screen Rate Determination for Floating Rate Covered Bonds*

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 CB Interest Period will be, subject to Condition 6(j) (*Fallback Provisions*), determined by the Guarantor Calculation Agent on the following basis:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Guarantor Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) in any other case, the Guarantor Calculation 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;

(C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Guarantor Calculation Agent will:

1) 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

2) determine the arithmetic mean of such quotations; and

(D) if fewer than two such quotations are provided as requested, the Guarantor Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Guarantor Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Guarantor Calculation 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 CB Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant CB 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 CB 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 Guarantor Calculation 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 CB Interest Period, the Rate of Interest applicable to the Covered Bonds during such CB 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 CB Interest Period.

(ii) *ISDA Determination for Floating Rate Covered Bonds*

Where 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 CB Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (ii), "**ISDA Rate**" means, in relation to any CB Interest Period, a rate equal to the Floating Rate that would be determined by the Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent under an interest rate swap transaction if the Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent were acting as Calculation Agent (as that term is defined in the ISDA Definitions) for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

(B) the Designated Maturity is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date is either (A) if the relevant Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that CB Interest Period or (B) in any other case, as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (ii), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

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

If any Maximum Rate of Interest and/or Minimum Rate of Interest is specified in the relevant Final Terms for any CB Interest Period, then the applicable Rate of Interest in respect of such CB Interest Period shall in no event be greater than the Maximum Rate of Interest and/or be less than the Minimum Rate of Interest so specified, as the case may be.

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

The Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each CB Interest Period, determine the Rate of Interest for the relevant CB Interest Period.

The Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent will calculate the Interest Amount payable in respect of each Floating Rate Covered Bond for such CB Interest Period. Each Interest Amount shall be equal to the product of the Rate of Interest, the Calculation Amount and the Day Count Fraction for such CB Interest Period, 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.

(f) *Calculation of other amounts*

If the relevant Final Terms specifies that any other amount is to be calculated by the Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent, then the Primary Paying Agent or such calculation agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Primary Paying Agent or the relevant calculation agent in the manner specified in the relevant Final Terms.

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

The Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent will cause each Rate of Interest and Interest Amount for each CB Interest Period, the relevant CB Payment Date and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Guarantor, the Subsequent Paying Agent and any stock exchange on which the Floating Rate Covered Bond are for the time being listed and admitted to trading as soon as practicable after such determination, but (in the case of each Rate of Interest, Interest Amount and CB Payment Date) in any event not later than the first day of the relevant CB Interest Period. Notice thereof shall also promptly be given to the Covered Bondholders in accordance with Condition 17(*Notices*). The Primary 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 CB Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Primary 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.

(h) *Determination and calculation by the Representative of the Covered Bondholders*

If for any reason at any relevant time the Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent does not for any reason comply with its obligation to determine the Rate of Interest or any Interest Amount in accordance with the above provisions or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraphs (f) and (g) above, the Representative of the Covered Bondholders shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Primary Paying Agent or, as the case may be, the calculation agent. In doing so, the Representative of the Covered Bondholders shall apply the foregoing provisions of this Condition 6 (*Floating Rate Interest Provisions*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

For avoidance of any doubt, the Representative of the Covered Bondholders will not incur, in the absence of willful misconduct (*dolo*) or gross default (*colpa grave*), in any liability by acting pursuant the provisions of this Clause.

(i) *Notifications etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Floating Rate Interest Provisions*) by the Primary Paying Agent or, where the applicable Final Terms specifies a calculation agent, such calculation agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and the Covered Bondholders and (subject as aforesaid) no liability to any such Person will attach to the Primary Paying Agent or the relevant calculation agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(j) *Fallback Provisions*

(i) *Independent Adviser*

Notwithstanding the provisions above in respect of Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(j)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 6(j)(iii) (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 6(j)(iv) (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

An Independent Adviser appointed pursuant to this Condition 6(j)(i) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the party responsible for determining the Rate of Interest applicable to the Covered Bond (being the Primary Paying Agent or such other party specified in the form of Final Terms), any Paying Agent or the Covered Bondholders for any determination made by it pursuant to this Condition 6(j).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(j)(i) prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(j)(i) prior to the relevant Interest Determination Date in the case of the Rate of Interest on Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable, the Rate of Interest applicable to the next succeeding CB Interest Period shall be equal to the Rate of Interest last determined in relation to the Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable in respect of the immediately preceding CB Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest for Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) is to be applied to the relevant CB Interest Period from that which applied to the last preceding CB Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) relating to the relevant CB Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding CB Interest Period (as applicable). For the avoidance of doubt, this Condition 6(j)(i) shall apply to the relevant next succeeding CB Interest Period only and any subsequent CB Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(j)(i).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6(j)(i) (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(j)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 6(j)); 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)(iii) (*Adjustment Spread*) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 6(j)).

(iii) *Adjustment Spread*

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6.(j)(i) (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(j) and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6(j)(i) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions and the other Programme Documents, including but not limited to Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6(j)(v) *(Notices*) and subject (to the extent required) to giving any notice required to be given to, and receiving any consent required from, or non-objection from, the competent regulatory authority, without any requirement for the consent or approval of Covered Bondholders vary these Conditions and the other Programme Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Representative of the Covered Bondholders together with the Guarantor, without any requirement for the consent or approval of the Covered Bondholders, shall be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of an amendment agreement to the Programme Documents) and the Representative of the Covered Bondholders shall not be liable to any party for any consequences thereof, provided that if, in the opinion of the Covered Bondholders doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Covered Bondholders in these Conditions or the Programme Documents (including for the avoidance of doubt, any amendment to the Programme Documents), the Representative of the Covered Bondholders shall give effect to such Benchmark Amendments (including, inter alia, by the execution of any amendment agreement to the Programme Documents), subject to being indemnified and/or secured to its satisfaction by the Issuer.

The Agents shall not be obliged to concur with the Issuer in respect of any conforming changes or amendments required as a result of a Benchmark Amendments, to which, in the sole opinion of such Agent, acting reasonably, would impose more onerous obligations upon them or expose them to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to such Agent `in the Cash Management and Agency Agreement.

In connection with any such variation in accordance with this Condition 6(j)(iv), the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

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

(v) *Notices*

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 Representative of the Covered Bondholders, the Guarantor Calculation Agent and each Paying Agent and, in accordance with Condition 17 (*Notices*), the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 6(j)(i) (*Independent Adviser*) to 6(j)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 6 (*Floating Rate Interest Provisions*) will continue to apply unless and until a Benchmark Event has occurred. Following the service of a Notice to Pay, any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments shall be notified to the Subsequent Paying Agent by no later than 10 (ten) Business Days prior to the first applicable Calculation Date.

(vii) *Definitions*

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

a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

b) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

c) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 6(j)(ii) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Covered Bonds;

"**Benchmark Amendments**" has the meaning given to it in Condition 6(j)(iv) (*Benchmark Amendments*);

"**Benchmark Event**" means:

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

b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Covered Bonds, in each case within the following six months; or

e) it has become unlawful for, the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Covered Bondholders using the Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(j)(i) (*Independent Adviser*);

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

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

a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

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

7. Zero Coupon Provisions

(a) *Application*

This Condition 7 (*Zero Coupon Provisions*) is applicable only to Covered Bonds in respect of which 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 calculated as provided in Condition 8(i) (*Early redemption of Zero Coupon Covered Bonds*) as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and

(ii) seven days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bond has been received by the Primary Paying Agent and notice to that effect has been given to the Covered Bondholders in accordance with Condition 17 (*Notices*).

8. Redemption and Purchase

(a) *At maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed at its Final Redemption Amount in the relevant Specified Currency on the relevant Maturity Date, subject as provided in Condition 8(b) (*Extension of maturity*) and Condition 9 (*Payments*). If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and, prior to the service of a Notice to Pay, the Issuer fails to redeem all of those Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Conditions will be, subject to sub-paragraph (b) below, automatically extended up to but no later than the Extended Maturity Date. The Issuer shall confirm to the Primary Paying Agent as soon as reasonably practicable and in any event at least on the Extension Determination Date as to whether payment of the Final Redemption Amount in respect of the Covered Bonds will or will not be made in full on that Maturity Date or within two Business Days thereafter. Any failure by the Issuer to notify the Primary Paying Agent shall not affect the validity or effectiveness of the extension.

(b) *Extension of maturity*

(i) Without prejudice to Condition 11 (*Events of Default*), if an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer has failed to redeem all of those Covered Bonds in full on the Maturity Date or within two Business Days thereafter or an Issuer Event of Default is otherwise outstanding, the Guarantor (as determined on its behalf by the Guarantor Calculation Agent) has insufficient moneys available under the relevant Priorities 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) the relevant Series of Covered Bonds shall become a Pass Through Series and payment of the unpaid amount by the Guarantor under the Covered Bond Guarantee shall be automatically deferred until the Extended Maturity Date, *provided that* any amount representing the Final Redemption Amount due and remaining unpaid on such Pass Through Series after the Extension Determination Date may be paid by the Guarantor on any CB Payment Date thereafter up to (and including) the relevant Extended Maturity Date for such Pass Through Series in accordance with the applicable Priority of Payments.

(ii) Notwithstanding the above, if the Covered Bonds are extended as a consequence of the occurrence of an Article 74 Event, upon termination of the suspension period and service of the Article 74 Event Cure Notice, the Issuer shall resume responsibility for meeting the payment obligations under any Series of Covered Bonds in respect of which an Extension of Maturity has occurred, and any Final Redemption Amount shall be due for payment on the last Business Day of the month on which the Article 74 Event Cure Notice has been served.

(iii) The Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 17 (*Notices*)), any relevant Swap Counterparties, the Rating Agency, the Representative of the Covered Bondholders, the Primary Paying Agent and the Subsequent Paying Agent, as soon as reasonably practicable and in any event at least one Business Day prior to the relevant Maturity Date, of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such persons shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

(iv) In the circumstances described above, the Guarantor shall, on the relevant Scheduled Due for Payment Date, pursuant to the Covered Bond Guarantee, apply the moneys (if any) available (after making payments or provisions for payment of amounts ranking higher or *pari passu* with the relevant Priorities of Payments) *pro rata* towards payment of an amount equal to the Final Redemption Amount in respect of the relevant Series of 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 make any payment towards satisfaction of the Final Redemption Amount not so done on such Due for Payment Date shall be deferred as described above.

(v) Where an Extended Maturity Date is specified in the relevant Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with this Condition 8(b) (*Extension of maturity*), the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant CB Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date unless on such date payment of principal is improperly withheld or refused (in which case, interest will continue to accrue in accordance with these Conditions and as specified in the relevant Final Terms). In these events, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 8(b)(vi) on the principal amount outstanding of the Covered Bonds in arrear on the CB Payment Date in each month after the Maturity Date in respect of the CB Interest Period ending immediately prior to the relevant CB Payment Date, subject as otherwise provided in the applicable Final Terms. The final CB Payment Date shall fall no later than the Extended Maturity Date.

(vi) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with this Condition 8(b) (*Extension of maturity*), the rate of interest payable from time to time in respect of the principal amount outstanding of the Covered Bonds on each CB Payment Date after the Maturity Date in respect of the CB Interest Period ending immediately prior to the relevant CB Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the Primary Paying Agent or the Subsequent Paying Agent, as the case may be, or, where the applicable Final Terms specifies a calculation agent, the calculation agent so specified, two Business Days after the Maturity Date in respect of the first such CB Interest Period and thereafter as specified in the applicable Final Terms.

(vii) The provisions set out in sub-paragraphs (v) and (vi) above shall only apply to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds (in full) on the Maturity Date (or within two Business Days thereafter) and the maturity of those Covered Bonds is automatically extended up to the Extended Maturity Date in accordance with Condition 8(b) (*Extension of maturity*).

(viii) Where an Extended Maturity Date is specified in the relevant Final Terms as applying to a Series of Covered Bonds, a failure to pay by the Guarantor on the Maturity Date shall not constitute a Guarantor Event of Default.

(ix) In the event of extension of maturity pursuant to this Condition 8(b), the extension of the Maturity Date shall not affect the ranking or the sequencing of the Covered Bonds in case of *liquidazione coatta amministrativa* or resolution (*risoluzione*) of the Issuer.

(x) In accordance with the provisions of article 7-*terdecies*, paragraph 5, of the 130 Law and the BoI Regulations, the Issuer shall notify the Bank of Italy in case an Extended Maturity Date has become applicable in respect of a Series of Covered Bonds, within 10 (ten) calendar days from the occurrence thereof.

(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 not specified in the relevant Final Terms as being applicable); or

(ii) on any CB Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Representative of the Covered Bondholders and, in accordance with Condition 17 (*Notices*), 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 10 (*Taxation in the Republic of Italy*) 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 Series of 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 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 a CB Payment Date, 60 days prior to the CB 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 Subsequent Paying Agent and the Primary Paying Agent, with a copy to the Luxembourg Listing Agent and the Representative of the Covered Bondholders, a certificate signed by duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred (and such evidence shall be sufficient to the Subsequent Paying Agent and the Primary Paying Agent and conclusive and binding on the Covered Bondholders). Upon the expiry of any such notice as is referred to in this Condition8(c) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Covered Bonds in accordance with this Condition 8(c) (*Redemption for tax reasons*).

Covered Bonds redeemed pursuant to this Condition 8(c) (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(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 giving not less than 15 nor more than 30 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 Condition8(d) (*Redemption at the option of the Issuer*)*,* the Covered Bonds to be redeemed in part shall be redeemed at the principal amount specified by the Issuer and the Covered Bonds will be so redeemed in accordance with the rules and procedures of Euronext Securities Milan 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 8(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 as being applicable to the relevant Covered Bonds, then the Optional Redemption Amount (Call) in respect of such Covered Bonds shall in no event be greater than the Maximum Redemption Amount or be less than the Minimum Redemption Amount 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 the holder of any such Covered Bond, redeem such Covered Bond 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 the date fixed for redemption. To exercise such option*,* the Covered Bondholder must, not less than 15 nor more than 30 days before the relevant Optional Redemption Date (Put), deposit with the Primary Paying Agent a duly completed Put Option Notice in the form obtainable from the Primary Paying Agent. The Primary Paying Agent with which a Put Option Notice is so deposited shall deliver a duly completed Put Option Receipt to the depositing Covered Bondholder. Once deposited in accordance with this Condition 8(f) (*Redemption at the option of Covered Bondholders*)*,* no duly completed Put Option Notice may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any Covered Bond becomes immediately due and payable or, upon due presentation of any such Covered Bond on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the Primary 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 outstanding Covered Bonds are held by the Primary Paying Agent in accordance with this Condition 8(f) (*Redemption at the option of Covered Bondholders*)*,* the Covered Bondholder and not the Primary Paying Agent shall be deemed to be the holder of such Covered Bonds for all purposes.

(g) *Redemption due to illegality*

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Representative of the Covered Bondholders and the Primary Paying Agent and, in accordance with Condition 17

(*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 CB Payment Date of any Covered Bond of any Series, 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 CB Payment Date.

Covered Bonds redeemed pursuant to this Condition 8(g) (*Redemption due to illegality*) will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(h) *No other redemption*

The Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in Conditions 8(a) (*At maturity*) to 8(g) (*Redemption due to illegality*).

(i) *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 Bond at any time before the Maturity Date shall be an amount calculated in accordance with the following formula:

Early Redemption Amount per Calculation Amount = RP x $(1 + AY)_y$

where:

"**RP**" means the Reference Price per Calculation Amount;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator of which is 360.

(j) *Instalments*

Instalment Covered Bonds will be redeemed in the amount(s) and on the payment date(s) specified in the relevant Final Terms. In the case of early redemption, Instalment Covered Bonds will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(k) *Purchase*

The Issuer or any of its Subsidiaries (other than the Guarantor) may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or any of its Subsidiaries (other than the Guarantor), cancelled. The Guarantor shall not purchase any Covered Bonds at any time.

(l) *Cancellation*

All Covered Bonds which are redeemed, in accordance with Conditions from 8(a) (*At maturity*) to 8(g) (*Redemption due to illegality*), shall forthwith be cancelled and may not be reissued or resold.

9. Payments

(a) *Payments through clearing systems*

Payment of interest and repayment of principal in respect of the Covered Bonds deposited with

Euronext Securities Milan will be credited, in accordance with the instructions of Euronext Securities Milan, by the Primary Paying Agent and after the service of a Notice to Pay (and for so long as such Notice to Pay has not been otherwise revoked in accordance with these Conditions and the other Transaction Documents) by the Subsequent Paying Agent to the accounts with Euronext Securities Milan of the banks and authorised brokers whose accounts 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. Payments made by or on behalf of the Issuer or the Guarantor (as the case may be) according to the instructions of Euronext Securities Milan to the accounts with Euronext Securities Milan of the banks and authorised brokers whose accounts are credited with those Covered Bonds will relieve the Issuer or the Guarantor (as the case may be) *pro tanto* from the corresponding payment obligations under the Covered Bonds or the Covered Bond Guarantee (as the case may be).

Alternatively, the Primary Paying Agent and/or the Subsequent Paying Agent may arrange for payments of principal and interest in respect of the Covered Bonds to be made to the Covered Bondholders through Euroclear and Clearstream to be credited to the accounts with Euroclear and Clearstream of the beneficial owners of the Covered Bonds, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream. Payments made by or on behalf of the Issuer or the Guarantor (as the case may be) to the accounts with Euroclear and Clearstream of the beneficial owners of the Covered Bonds, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream will relieve the Issuer or the Guarantor (as the case may be) *pro tanto* from the corresponding payment obligations under the Covered Bonds or the Covered Bond Guarantee (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, directives and regulations in the place of payment or other laws to which the Issuer, the Guarantor or their Agents agree to be subject and neither Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 10 (*Taxation in the Republic of Italy*).

(c) *Payments on Business Days*

If the due date for any payment of principal and/or interest in respect of any Covered Bond is not a Payment Business Day in the Place of Payment, the holder of the relevant Covered Bond shall not be entitled to payment in such place of the amount due until the immediately succeeding Payment Business Day in such Place of Payment and shall not be entitled to any further interest or other payment in respect of any such delay.

10. Taxation in the Republic of Italy

(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 by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. 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 respect to any payment or deduction of any interest or principal on account of *imposta sostitutiva* provided by Italian Legislative Decree No. 239 of 1 April 1996, as amended ("**Decree No. 239/1996**") with respect to any Covered Bonds (including in all circumstances in which the requirements and procedures of Decree No. 239/1996 and related implementing rules have not been properly and promptly met or complied with) or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21 November 1997 (as amended by Italian Legislative Decree No. 201 of 16 June 1998) (as any of the same may be amended or supplemented) or any related implementing regulations; or

(ii) with respect to any Covered Bond presented for payments:

A. in the Republic of Italy; or

B. by or on behalf of a holder who is liable for such taxes or duties in respect of such Covered Bond by reason of his having some connection with the Republic of Italy other than the mere holding of such Covered Bond; or

C. by or on behalf of a holder who is entitled to avoid such withholding or deduction in respect of such Covered Bond by making, or procuring, a declaration or any other statement to the relevant tax authority including, but not limited to, a declaration of non-residence or other similar claim for exemption but has failed to do so; or

D. more than 30 days after the Maturity Date except to the extent that the relevant holder would have been entitled to an additional amount on presenting such Covered Bond for payment on such 30th day assuming that day to have been a CB Payment Date; or

E. in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts 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 for the purpose of Decree No. 239/1996; or

F. in respect of any Covered Bonds where such withholding or deduction is required pursuant to Presidential Decree No. 600 of 29 September 1973, as amended or supplemented from time to time; or

G. in respect of Covered Bonds classified as atypical securities where such withholding or deduction is required under Law Decree No. 512 of 30 September 1983, as amended and supplemented from time to time.

(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.

11. Events of Default

(a) *Issuer Events of Default*

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

(i) failure by the Issuer for a period of two Business Days to pay any principal amount or for a period of 14 Business Days in the payment of any interest on the Covered Bonds of any

Series when due; or

(ii) breach by the Issuer of any material obligations under or in respect of the Covered Bonds (of any Series outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Covered Bonds and/or any obligation to comply with the Tests) and (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy, in which case no notice will be required), and such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(iii) if, following the delivery of a Breach of Tests Notice, the Tests are not cured by the immediately following Monthly Calculation Date; or

(iv) an Insolvency Event of the Issuer (other than, for the avoidance of doubt, resolution (*risoluzione*) and "*misure di intervento precoce*"); or

(v) an Article 74 Event,

then, the Representative of the Covered Bondholders may at its sole discretion, and shall if so directed by an Extraordinary Resolution of the Meeting of the Organisation of the Covered Bondholders, serve a Notice to Pay on the Issuer and Guarantor declaring that an Issuer Event of Default has occurred (specifying, in case of an Article 74 Event, that the Issuer Event of Default may be temporary).

(b) *Effect of a Notice to Pay*

Upon service of a Notice to Pay to the Issuer and the Guarantor:

(i) each Series of Covered Bonds will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (A) such events shall not trigger an acceleration against the Guarantor, (B) in accordance with Article 7-*quaterdecies*, paragraph 3 of Law 130 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 (C) in case of the Issuer Event of Default referred to under point (F) above (i) the Guarantor, in accordance with Law 130, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the suspension period and (ii) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the Covered Bonds (and for the avoidance of doubts, the Covered Bonds then outstanding will not be deemed to be accelerated against the Issuer);

(ii) the Guarantor will pay the Guaranteed Amounts on the Scheduled Due for Payment Date in accordance with the provisions of the Covered Bond Guarantee and the Priority of Payments set out in the Intercreditor Agreement;

(iii) the Mandatory Tests (as defined above) and the verification of the Liquidity Buffer Target Amount shall continue to be applied and the Amortisation Test (as defined below) and the Minimum OC Requirement shall be also applied;

(iv) to the extent that the Guarantor does not have sufficient funds to pay principal on any Series of Covered Bonds, such Series shall become a Pass Through Series in accordance with Condition 8(b);

(v) the Guarantor shall (only if necessary in order to effect timely due payments under the

Covered Bonds), direct the Servicer to sell the Receivables, the Integration Assets or Liquid Assets in accordance with the provisions of the Cover Pool Administration Agreement;

(vi) no further Covered Bonds may be issued;

provided that in case of an Article 74 Event the effects listed in items (i) to (vi) of paragraph (b) above will only apply for as long as the Suspension Period will be in force and effect.

"**Suspension Period**" means the period of time starting from the date on which a resolution pursuant to article 74 of the Banking Act is passed in respect of the Issuer (the "**Article 74 Event**") and ending on the date on which the Representative of the Covered Bondholders serves an Article 74 Event Cure Notice to the Issuer and the Guarantor, informing such parties that the Article 74 Event has been cured, during which the Guarantor, in accordance with Law 130, shall be responsible for the payments of the Guaranteed Amounts that fall due and payable during such period.

(c) *Breach of Amortisation Test Notice*

Following the service of a Breach of Amortisation Test Notice on the Guarantor:

(i) all outstanding Series of Covered Bonds shall become Pass Through Series of Covered Bonds and will rank *pari passu* among themselves in accordance with the Post-Breach of Amortisation Test Priority of Payments;

(ii) *Disposal of Assets*: the Guarantor shall use its best effort to sell Receivables, and/or the Integration Assets and/or Liquid Assets included in the Cover Pool (other than Eligible Deposits) in accordance with the provisions of this Cover Pool Administration Agreement.

(d) *Guarantor Events of Default*

Following the service of a Notice to Pay, if any of the following events (each, a "**Guarantor Event of Default**") occurs and is continuing:

(i) default by the Guarantor, having sufficient Available Funds for such purpose in accordance with the applicable Priority of Payments, for a period of seven days to pay any principal amount, or for a period of 14 days in the payment of any interest on the Covered Bonds of any Series; or

(ii) breach by the Guarantor of any material obligations under the provisions of any Transaction Documents to which the Guarantor is a party (other than any obligation for the payment of principal or interest on the Covered Bonds) and (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy, in which case no notice will be required) such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(iii) an Insolvency Event of the Guarantor,

then the Representative of the Covered Bondholders may at its sole discretion, and shall if so directed by an Extraordinary Resolution of the Meeting of the Organisation of the Covered Bondholders, serve a Guarantor Default Notice on the Guarantor declaring that a Guarantor Event of Default has occurred.

(e) *Effect of a Guarantor Default Notice*

From and including the date on which the Representative of the Covered Bondholders delivers a

Guarantor Default Notice on the Guarantor:

(i) the Covered Bonds (including, for the avoidance of doubt, the Pass Through Covered Bonds) shall become immediately due and payable by the Guarantor at their Early Redemption Amount together, if appropriate, with any accrued interest; and

(ii) if a Guarantor Event of Default occurs with respect to a Series, each other Series of Covered Bonds will cross accelerate at the same time against the Guarantor, becoming due and payable, and they will rank *pari passu* amongst themselves; and

(iii) 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 Redemption Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 10(a) (*Gross up by Issuer*)) in accordance with the Priority of Payments set out in the Intercreditor Agreement; and

(iv) subject to the failure of the Guarantor in taking the necessary actions pursuant to paragraph (ii) above, the Representative of the Covered Bondholders on behalf of the Covered Bondholders shall be entitled to take any steps and proceedings against the Issuer to enforce the provisions of the Covered Bonds, provided that the Representative of the Covered Bondholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Guarantor 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 an Extraordinary Resolution of the Covered Bondholders.

(v) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 (*Events of Default*) by the Representative of the Covered Bondholders shall (in the absence of wilful default, bad faith or manifest error) 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.

12. Prescription

Claims for payment under the Covered Bonds shall be barred and become void unless made within 10 years (in respect of principal) or five years (in respect of interest) of the appropriate Relevant Date in respect thereof.

13. Representative of the Covered Bondholders

(a) 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 all Covered Bonds of whatever 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) In the Programme Agreement, the Dealers have appointed the Representative of the Covered Bondholders to perform the activities described in the Programme Agreement, these Conditions (including the Rules of the Organisation of the Covered Bondholders), the Intercreditor Agreement and the other Transaction Documents, and the Representative of the Covered

Bondholders has accepted such appointment for the period commencing on the Initial Issue Date 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.

(c) Each Covered Bondholder, by reason of holding Covered Bonds:

(i) recognises the Representative of the Covered Bondholders as its representative, acting in its name and on its behalf, and (to the fullest extent permitted by law) agrees to be bound by the terms of the Transaction Documents to which the Representative of the Covered Bondholders is a party and 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 Dealers shall not be liable, without prejudice for the provisions set forth under Article 1229 of the Italian Civil Code, 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.

14. 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 OBG 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 which constitute Available Funds 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 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. In particular:

(i) no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders, where appropriate) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Covered Bondholders to enforce the Covered Bonds Guarantee or take any proceedings against the Guarantor to enforce the Covered Bond Guarantee;

(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) until the date falling two years and one day after the date on which all Series of Covered Bonds issued in the context of the Programme, or any other similar programme established for the issuance of covered bond guaranteed by the Guarantor, 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 Priority of Payments not being complied with.

15. Agents

In acting under the Cash Management and Agency Agreement and in connection with the Covered Bonds, the Paying Agents will act solely as agents of the Issuer and, following service of a Notice to Pay or a Breach of Amortisation Test Notice or a Guarantor Default Notice, as agents of the Guarantor and do not assume in the framework of the Programme any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders.

The Primary Paying Agent and its initial Specified Offices are set out in these Conditions. Any additional Paying Agent and its Specified Offices (if any) are specified in the relevant Final Terms. The Issuer, and (where applicable) the Guarantor, reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint an additional or successor paying agent; *provided, however, that:*

(a) the Issuer, and (where applicable) the Guarantor, shall at all times maintain a paying agent; and

(b) the Issuer, and (where applicable) the Guarantor, shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC income or any law implementing or complying with, or introduced in order to conform to, such Directive; and

(c) 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 (where applicable) 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 any of the Paying Agents 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 or upon such terms as the Issuer may determine at the time of their issue.

17. Notices

(a) Any notice regarding the Covered Bonds, as long as the Covered Bonds are held through Euronext Securities Milan and/or by a common depository for Euroclear and/or Clearstream, shall be deemed to have been validly given if delivered to Euronext Securities Milan and/or Euroclear and/or Clearstream for communication by them to the entitled accountholders and any such notice shall be deemed to have been given on the date on which it was delivered to Euronext Securities Milan, Clearstream and Euroclear, as applicable.

(b) In addition, for so long as the Covered Bonds are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to the Covered Bondholders shall also be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

(c) The Representative of the Covered Bondholders shall be at liberty to sanction any other method of giving notice to Covered Bondholders if, in its 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 Covered Bondholders in such manner as the Representative of the Covered Bondholders shall require.

18. 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.

19. Governing Law and Jurisdiction

(a) These Covered Bonds, these Conditions, the Rules of the Organisation of the Covered Bondholders and the Transaction Documents and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, Italian law.

(b) The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to the Covered Bonds, these Conditions and the Rules of the Organisation of the Covered Bondholders or their validity, interpretation or performance.

(c) Anything not expressly provided for in these Conditions will be governed by the OBG Regulations.

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 the Covered Bonds issued under the Programme by BPER Banca S.p.A. (previously Banca popolare dell'Emilia Romagna, Società Cooperativa) is created concurrently with the issue and subscription of the first Series of Covered Bonds and is governed by these Rules of the Organisation of the Covered Bondholders (the "**Rules**").

1.2 These Rules shall remain in force and effect until full repayment or cancellation of all the Covered Bonds of whatever Series or Tranche.

1.3 The contents of these Rules are deemed to be an integral part of the Conditions of the Covered Bonds of each Series or Tranche issued by the Issuer.

2 Definitions and Interpretation

2.1 Definitions

In these Rules, the terms below shall have the following meanings:

"**Blocked Covered Bonds**" means (i) the Covered Bonds which have been blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian, or (ii) in case of Covered Bonds issued in registered form, such Covered Bonds which have been blocked with the Registrar, for the purpose of obtaining from the Primary Paying Agent and/or the Registrar a Voting Certificate or a Block Voting Instruction, on terms that they will not be released until after the conclusion of the Meeting.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Primary Paying Agent or by a Registrar, as the case may be:

(a) in case of a Covered Bond issued in a dematerialised form, certifying that specified Covered Bonds have been blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the notification to the Primary Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the Covered Bonds are Blocked Covered Bonds and notification of the release thereof by the Primary Paying Agent to the Issuer;

(b) in case of Covered Bonds issued in registered form, certifying that specified Covered Bonds have been blocked with the Registrar and will not be released until the conclusion of the Meeting;

(i) certifying that the Covered Bondholder, or the registered Holder in case of Covered Bonds issued in registered form, of the relevant Blocked Covered Bonds or a duly authorised person on its behalf has notified the Primary Paying Agent or the Registrar 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;

(ii) listing the total number of such specified Blocked Covered Bonds, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(iii) authorising a named individual to vote in accordance with such instructions.

"**Chairman**" means, in relation to any Meeting, the person who takes the chair in accordance with Article 6 (*Chairman of the Meeting*).

"**Covered Bondholder**" means in respect of Covered Bonds, the ultimate owner of such Covered Bonds.

"**Event of Default**" means an Issuer Event of Default or a Guarantor Event of Default, as the context requires.

"**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.

"**Holder**" means, in respect of Covered Bonds, the ultimate owner of such Covered Bonds and, in respect of the Covered Bonds issued in registered form, the ultimate registered owner of such Covered Bonds issued in registered form, as set out in the Register;

"**Liabilities**" means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands, judgments, proceeding or other liabilities whatsoever (including, without limitation, in respect of taxes, duties, levies and other charges) and including value added taxes or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

"**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 their customers with Monte Titoli (and includes any relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System).

"**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 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 steps and/or institute proceedings against the Issuer or the Guarantor pursuant to Conditions 11(b) (*Effect of a Notice to Pay*) and 11(e) (*Effect of a Guarantor Default Notice*), as applicable, or other similar Condition with reference to Covered Bonds issued in registered form.

"**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 Primary Paying Agent or the Registrar 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 revoked to vote at the Meeting when it is resumed.

"**Rating Agency**" means Moody's Italia S.r.l. or, as the case may be, Moody's France SAS.

"**Register**" means any register held by the Registrar for the purpose of recording payments and assignments of Covered Bonds issued in registered form.

"**Registered Paying Agent**" means any institution appointed by the Issuer to act as paying agent in respect of the Covered Bonds issued in a registered form under the Programme.

"**Registrar**" means any institution which may be appointed by the Issuer to act as registrar in respect of the Covered Bonds issued in registered form under the Programme, provided that, if the Issuer will keep the register and will not delegate such activity, any reference to the Registrar will be construed as a reference to the Issuer.

"**Resolutions**" means the Ordinary Resolutions and the Extraordinary Resolutions, collectively.

"**Swap Rate**" means, in relation to a Covered Bond or Pass Through Series or Series of Covered Bonds, the exchange rate specified in the respective Swap Agreement relating to such Covered Bond or Pass Through Series or Series of Covered Bonds or, if the respective 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 Covered Bondholder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Primary Paying Agent or by a Registrar or a Proxy named in a Block Voting Instruction.

"**Voting Certificate**" means, in relation to any Meeting, a certificate requested by the interested Covered Bondholder and issued by the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian or by a Registrar, as the case may be, and dated, stating:

(a) that the Blocked Covered Bonds have been blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian, as the case may be, and will not be released until the earlier of: (i) the conclusion of the Meeting and (ii) the surrender of the certificate to the clearing system or the Monte Titoli Account Holder or to the Registrar who issued the same;

(b) details of the Meeting concerned and the number of the Blocked Covered Bonds; and

(c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Covered Bonds.:

"**Written Resolution**" means a resolution in writing signed by or on behalf of one or more persons holding or representing at least 75 per cent of the Outstanding Principal Balance of the Covered Bonds, 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 in the place where the Primary Paying Agent has its specified office or, in case of Covered Bonds issued in registered form, the Registrar has its specified office.

"**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 relevant Conditions.

2.2 Interpretation

In these Rules:

(a) 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;

(b) any reference to 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

(c) 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 Pass Through Series or 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 of the Covered Bondholders*) and 4 (*Convening a Meeting*) and 27 (*Duties and Powers of the Representative of the Covered Bondholders*) to 34 (*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 Article 2.3:

(a) Articles 25 (*Appointment, Removal and Remuneration*) and 26 (*Resignation of the Representative of the Covered Bondholders*); and

(b) insofar as they relate to a Programme Resolution, Articles 3 (*Purpose of the Organisation of the Covered Bondholders*) to 4 (*Convening a Meeting*) and 27 (*Duties and Powers of the Representative of the Covered Bondholders*) to 34 (*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 of the Covered Bondholders

3.1 Each Covered Bondholder 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 Convening a Meeting

4.1 Convening a Meeting

The Representative of the Covered Bondholders, the Guarantor or the Issuer may convene separate or single Meetings of the Covered Bondholders at any time and the Representative of the Covered Bondholders shall be obliged to do so upon the request in writing by Covered Bondholders representing at least one-tenth of the aggregate Outstanding Principal Balance of the Covered Bonds.

The Representative of the Covered Bondholders, the Guarantor or the Issuer or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon request in writing signed by the holders of not less than one-tenth of the Outstanding Principal Balance 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 seven days in convening such a meeting the same may be convened by the Representative of the Covered Bondholders or the relevant holder(s). The Representative of the Covered Bondholders may convene a single meeting of the Covered Bondholders 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, in which event the provisions of these Rules shall apply thereto *mutatis mutandis.*

4.2 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.

4.3 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.

5 Notice

5.1 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, the Registrar and the Primary 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, where the Meeting is convened by the Issuer subject to Article 4.2 (*Meetings convened by Issuer*).

5.2 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 the Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation, regarding post-trading systems, issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time. The notice shall specify the nature of the resolutions to be proposed and shall explain how, according to these rules, Covered Bondholders may appoint Proxies, obtain Voting Certificates and use Block Voting

Instructions and the details of the time limits applicable.

With reference to the Covered Bonds issued in registered form, 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 Covered Bond issued in registered form, may be blocked with the Registrar, or with any other entity authorised to do so by the Registrar, for the purposes of appointing Proxies under Block Voting Instructions until 48 hours before the time fixed for the Meeting and that holders of Covered Bonds issued in registered form may also appoint Proxies either under a Block Voting Instruction by delivering written instructions to the Registrar or the Registered Paying Agent or by executing and delivering a form of Proxy to the Specified Office of the Registrar or the Registered Paying Agent, in either case until 48 hours before the time fixed for the Meeting.

5.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 5 are not complied with if the Covered Bondholders constituting the Outstanding Principal Balance 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.

6 Chairman of the Meeting

6.1 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:

(a) the Representative of the Covered Bondholders fails to make a nomination; or

(b) the individual nominated declines to act or is not present within 15 minutes of 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.

6.2 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.

6.3 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.

7 Quorum

7.1 The quorum at any Meeting will be:

(a) in the case of an Ordinary Resolution, one or more persons (including the Issuer if at that time it owns any of the relevant Covered Bonds) holding or representing at least one-third of the Outstanding Principal Balance of the Covered Bonds of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing Covered Bondholders, whatever the Outstanding Principal Balance of the Covered Bonds so held or represented; or

(b) in the case of an Extraordinary Resolution or a Programme Resolution (subject as provided below), one or more persons (including the Issuer if at that time it owns any of the relevant Covered Bonds) holding or representing at least 50 per cent of the Outstanding Principal Balance of the Covered Bonds of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons (including the Issuer if at that time it owns any of the relevant Covered Bonds) being or representing one-third of the Outstanding Principal Balance of the Covered Bonds of the relevant Series for the time being outstanding; or

(c) 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 Articles 30 (*Amendments and Modifications*) and 31 (*Waiver*), only be capable of being effected after having been approved by Extraordinary Resolution) namely:

(i) 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 relevant Pass Through Series or Series of Covered Bonds;

(ii) alteration of the currency in which payments under the relevant Pass Through Series or Series of Covered Bonds are to be made;

(iii) alteration of the majority required to pass an Extraordinary Resolution;

(iv) any amendment to the Covered Bond Guarantee (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);

(v) except in accordance with Articles 30 (*Amendments and Modifications*) and 31 (*Waiver*), 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 relevant Pass Through Series or Series of 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

(vi) alteration of this Article 7.1(c),

(each a "**Series Reserved Matter**"), one or more persons (including the Issuer if at that time it owns any of the relevant Pass Through Series or Series of Covered Bonds) being or representing holders of not less two-thirds of the aggregate Outstanding Principal Balance of the Covered Bonds of such Series for the time being outstanding or, at any adjourned meeting, one or more persons (including the Issuer if at that time it owns any of the relevant Pass Through Series or Series of Covered Bonds) being or representing not less than one third of the aggregate Outstanding Principal Balance of the Covered Bonds of such Series for the time being outstanding.

7.2 Adjournment for want of quorum

If a quorum is not present for the transaction of any particular business within 15 minutes of the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:

(a) if such Meeting was convened upon the request of Covered Bondholders, the Meeting shall be dissolved; and

(b) in any other case, the Meeting (unless the Issuer and the Representative of the Bondholders otherwise agree) shall be adjourned (i) until such date (which shall be not less than 14 days and not more than 42 days later) and to such place as the Chairman determines or (ii) on the date and at the place indicated in the notice convening the Meeting (if such notice sets out the date and place of any adjourned Meeting); provided, however, that, in any case:

(i) a Meeting may be adjourned more than once for want of a quorum; and

(ii) the Meeting shall be dissolved if the Issuer and the Representative of the Bondholders together so decide.

8 Adjourned Meeting

Without prejudice to Article 7 (*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.

9 Notice following Adjournment

9.1 Notice required

Article 5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

(a) at least 10 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 given; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes; and

(c) it shall not be necessary to give notice of the convening of an adjourned Meeting (i) if the notice given in respect of the first Meeting already sets the time and place for an adjourned Meeting and specifies the quorum requirements which will apply when the Meeting resumes; or (ii) if the Meeting has been adjourned for any other reason.

9.2 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 7 (*Quorum*)*.*

10 Participation

The following categories of persons may attend and speak at a Meeting:

(a) Voters;

(b) the directors and the auditors of the Issuer and the Guarantor;

(c) representatives of the Issuer, the Guarantor and the Representative of the Covered Bondholders;

(d) financial advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders;

(e) legal advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders; and

(f) any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Covered Bondholders.

11 Voting Certificates and Block Voting Instructions

11.1 A Covered Bondholder may obtain a Voting Certificate in respect of a Meeting by requesting the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian, as the case may be, to issue a certificate in accordance with the regulation, regarding post-trading systems, issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time.

11.2 A Covered Bondholder may require the Primary Paying Agent to issue a Block Voting Instruction by arranging for their Covered Bonds to be blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian at least 48 hours before the time fixed for the relevant Meeting, providing to the Primary Paying Agent, where appropriate, evidence that the Covered Bonds are so blocked. The Covered Bondholders may obtain such evidence by, *inter alia*, requesting the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian to release a certificate in accordance with, as the case may be: (i) the practices and procedures of the Relevant Clearing System; or (ii) the applicable provisions set fort under the regulation, regarding post-trading systems, issued by the Bank of Italy and CONSOB on 13 August 2018, as subsequently amended and supplemented.

11.3 A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Covered Bonds to which it relates.

11.4 So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Covered Bonds to which it relates for all purposes in connection with the Meeting.

11.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Covered Bond.

11.6 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.

11.7 Any registered Holder may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar) for the related Covered Bonds issued in registered form to be blocked with the Registrar not later than 48 hours before the time fixed for the relevant Meeting. The registered Holder may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 48 hours before the time fixed for the relevant Meeting. Any registered Holder may obtain an uncompleted and unexecuted Form of Proxy from the Registrar. A Block Voting Instruction shall be valid until the release of the Blocked Covered Bonds to which it relates. A Form of Proxy and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Bond.

12 Validity of Block Voting Instructions and Voting Certificates

A Block Voting Instruction or a Voting Certificate shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Representative of the Covered Bondholders or the Registrar, as the case may be, 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 unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Covered Bondholders so requires, a notarised 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 therein 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 Covered Bondholder named therein.

13 Voting by Show of Hands

13.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

13.2 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.

14 Voting by Poll

14.1 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 Balance of the Covered Bonds held or represented by such Voter. 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 as at the date of the taking of the poll.

14.2 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.

15 Votes

15.1 Voting

Each Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each Euro 1,000 in principal amount of the Covered Bonds represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy 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).

15.2 Block Voting Instruction and Voting Certificate

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.

15.3 Voting tie

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

16 Voting by Proxy

16.1 Validity

Any vote cast 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, the Registrar or the Chairman has been notified in writing by the Primary Paying Agent of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

16.2 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, exclusively, the meeting originally convened and 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.

17 Resolutions

17.1 Ordinary Resolutions

Subject to Article 17.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution:

(a) To 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

(b) 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.

17.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

(a) 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;

(b) 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 any Transaction Document or any arrangement in respect of the obligations of the Issuer or the Guarantor under or in respect of the Covered Bonds, which, in any such case, shall be proposed by the Issuer, the Guarantor, the Representative of the Covered Bondholders and/or any other party thereto;

(c) 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;

(d) in accordance with Article 25 (*Appointment, removal and remuneration*), appoint and remove the Representative of the Covered Bondholders;

(e) 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;

(f) grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

(g) 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;

(h) waive any breach or authorised any proposed breached by the Issuer, the Guarantor or any other party of its obligations under or in respect of these Rules, or waive the occurrence of an Issuer Event of Default, a Guarantor Event of Default or a breach of test, and direct the Representative of the Covered Bondholders to suspend the delivery of the relevant Notice to Pay, Breach of Amortisation Test Notice, Guarantor Default Notice or Breach of Test Notice;

(i) to appoint any person (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;

(j) 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; and

(k) in case of failure or request by the Representative of the Covered Bondholders to send a Notice to Pay, Breach of Amortisation Test Notice, Guarantor Default Notice or Breach of Test Notice, direct the Representative of the Covered Bondholders to deliver such notice as a result of an Issuer Event of Default pursuant to Condition 11(a) (*Issuer Events of Default*) or a breach of Amortisation Test pursuant to Condition 11(c) (*Breach of Amortisation Test Notice*) or as a result of a Guarantor Event of Default pursuant to Condition 11(d) (*Guarantor Events of Default*).

17.3 Programme Resolutions

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the Covered Bondholders to take steps and/or institute proceedings against the Issuer or the Guarantor pursuant to Conditions 11(b) (*Effect of a Notice to Pay*) and 11(e) (*Effect of a Guarantor Default Notice*), as applicable.

17.4 Other Pass Through Series or Series of Covered Bonds

No Ordinary Resolution or Extraordinary Resolution (other than a Programme Resolution which shall be passed by the Holders of all the Pass Through Series or Series of Covered Bonds then outstanding) that is passed by the Holders of one Pass Through Series or Series of Covered Bonds shall be effective in respect of another Pass Through Series or 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.

18 Effect of Resolutions

18.1 Binding nature

Subject to Article 17.4 (*Other Pass Through Series or Series of Covered Bonds*), any resolution passed at a Meeting of the Covered Bondholders duly convened and held in accordance with these Rules shall be binding upon all Covered Bondholders, 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 and/or not voting.

18.2 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 Paying Agents (with a copy to the Issuer, the Guarantor, the Registrar and the Representative of the Covered Bondholders within 14 days of the conclusion of each Meeting).

19 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.

20 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.

21 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.

22 Individual Actions and Remedies

Each Covered Bondholder has accepted and is bound by the provisions of Condition 14 (*Limited Recourse and Non-Petition*), clause 4 (*Exercise of rights and subrogation*) and clause 11 (*Limited Recourse*) of the Covered Bond Guarantee and clause 9 (*Exercise of Certain Rights*) and clause 13 (*Limited Recourse*) of the Intercreditor Agreement and, accordingly, if any Covered Bondholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Covered Bonds and the Covered Bond Guarantee, any such action or remedy shall be subject to a Meeting passing an Extraordinary Resolution consenting to such individual action or other remedy on the grounds that it is consistent with such Condition. In this respect, the following provisions shall apply:

(a) the Covered Bondholder intending to enforce his/her rights under the Covered Bonds will notify the Representative of the Covered Bondholders of his/her intention;

(b) the Representative of the Covered Bondholders will, without delay, call a Meeting in accordance with these Rules (including, for the avoidance of doubt, Article 23.1 (*Choice of Meeting*);

(c) if the Meeting passes an Extraordinary Resolution consenting to the enforcement of the individual action or remedy, the Covered Bondholder will be permitted to take such action or remedy (without prejudice to the fact that, after a reasonable period of time, the same matter may be resubmitted for review at another Meeting); and

(d) if the Meeting of Covered Bondholders does not consent to an individual action or remedy, the Covered Bondholder will be prohibited from taking such individual action or remedy.

23 Meetings and Separate Series

23.1 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 these Rules shall have effect subject to the following modifications:

(a) 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 meeting of the holders of the Covered Bonds of that Series;

(b) 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;

(c) 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;

(d) 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

(e) to all such meetings, all the preceding provisions of these Rules shall apply, *mutatis mutandis*, 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.

23.2 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 such adjourned Meeting or any poll resulting therefrom or any such request or Written Resolution), the Outstanding Principal Balance 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 1,000 (or such other Euro amount as the Representative of the Covered Bondholders may in its absolute discretion stipulate) of the Outstanding Principal Balance of the Covered Bonds (converted as above) which he holds or represents.

24 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

25 Appointment, Removal and Remuneration

25.1 Appointment

The appointment of the Representative of the Covered Bondholders takes place by Extraordinary Resolution of the Covered Bondholders in accordance with the provisions of this Article 25, except for the appointment of the first Representative of the Covered Bondholders which will be Banca Finanziaria Internazionale S.p.A. appointed under the Programme Agreement.

25.2 Identity of the Representative of the Covered Bondholders

Save for Banca Finanziaria Internazionale S.p.A., as first Representative of the Covered Bondholders under the Programme, the Representative of the Covered Bondholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or

(b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Banking Act; or

(c) 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 the Guarantor 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.

25.3 Duration of appointment

Unless the Representative of the Covered Bondholders is removed by Extraordinary Resolution of the Covered Bondholders pursuant to Article 17.2 (*Extraordinary Resolutions*) or resigns pursuant to Article 26 (*Resignation of the Representative of the Covered Bondholders*), it shall remain in office until full repayment or cancellation of all Pass Through Series or Series of Covered Bonds.

25.4 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 25.2 (*Identity of the 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.

25.5 Remuneration

The Issuer and, following the delivery of a Notice to Pay, 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. Such fees may be increased, in accordance with the provisions of the Programme Agreement, in the event that the Representative of the Covered Bondholders undertakes duties of exceptional nature.

26 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 25.1 (*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 25.2 (*Identity of the Representative of the Covered Bondholders*).

27 Duties and Powers of the Representative of the Covered Bondholders

27.1 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.

27.2 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 at the Issuer's expenses, provided that such expenses are reasonably incurred and duly documented) to propose any course of action which it considers from time to time necessary or desirable.

27.3 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:

(a) act by responsible officers or a responsible officer for the time being of the Representative of the Covered Bondholders; and

(b) 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 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, other than in the normal course of its business, 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.

27.4 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.

27.5 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 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.

27.6 Discretions

Save as otherwise expressly provided herein, the Representative of the Covered Bondholders shall have absolute discretion as to the exercise or non-exercise or refraining of any right, power and discretion vested in the Representative of the Covered Bondholders by these Rules or by operation of law and the Representative of the Covered Bondholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or willful misconduct (*dolo*).

27.7 Obtaining instructions

In connection with matters in respect of which the Representative of the Covered Bondholders is entitled to exercise its discretion hereunder (including, but not limited, to forming any opinion in connection with the exercise or non exercise of any discretion), 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 28.2 (*Specific limitations*).

27.8 Remedy

The Representative of the Covered Bondholders may 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, subject to the passing of any Extraordinary Resolution under Article 17.2 paragraph (h), 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.

28 Exoneration of the Representative of the Covered Bondholders

28.1 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.

28.2 Specific limitations

Without limiting the generality of this Article 28.2 (*Specific limitations*), the Representative of the Covered Bondholders:

(a) 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;

(b) 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;

(c) shall not be under any obligation to disclose (unless and to the extent so required under the Conditions, the terms of any Transaction Documents or by applicable law) to any Covered Bondholders or other Secured Creditor or any other party, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Representative of the Covered Bondholders by the Issuer, the Guarantor or any other person in respect of the Cover Pool or, more generally, of the Programme and no Covered Bondholders shall be entitled to take any action to obtain from the Representative of the Covered Bondholders any such information;

(d) 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;

(e) 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, nor shall be responsible for assessing any breach or alleged breach by the Issuer, the Guarantor and any other Party to the transaction, 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 herewith;

   (iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

   (iv) the failure by the Guarantor 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 Servicer, the Account Banks, and the Corporate Servicer and the Primary Paying Agent or any other person in respect of the Cover Pool or the Covered Bonds;

(f) 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;

(g) shall have no responsibility for procuring or maintaining any rating of the Covered Bonds by any credit or rating agency or any other person;

(h) 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;

(i) 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;

(j) 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;

(k) shall not be under any obligation to guarantee or procure the repayment of the Receivables, the Integration Assets and/or Liquid Assets contained in the Cover Pool or any part thereof;

(l) shall not be responsible for reviewing or investigating any report relating to the Cover Pool or any part thereof provided by any person;

(m) 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;

(n) 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;

(o) shall not be under any obligation to insure the Cover Pool or any part thereof;

(p) 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, and the Representative of the Covered Bondholders shall not be entitled to require, nor shall any Covered Bondholders be entitled to claim, from the Issuer, the Guarantor, the Representative of the Covered Bondholders or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Covered Bondholders;

(q) 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 of not less than 75 per cent of the Outstanding Principal Balance of the Covered Bonds of the relevant Series then outstanding;

(r) shall, as regards to 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 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;

(s) 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 and/or pre-funded 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, provided that the Representative of the Bondholders shall be indemnified and/or secured to its satisfaction beforehand if it so requests in conjunction with the exercise of any right, power, authority or discretion hereunder; and

(t) shall not be liable or responsible for any Liabilities directly or indirectly suffered or incurred by the Issuer, the Guarantor, any Covered Bondholders or any other Secured Creditors or any other person which may result from anything done or omitted to be done by it in accordance with the provisions of these Rules 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.

28.3 Security

The Representative of the Covered Bondholders shall be entitled to exercise all the rights granted by the Guarantor in favour of the Representative of the Covered Bondholders on behalf of the Covered Bondholders and the other Secured Creditors under the security for the discharge of the Secured Amount, created by the Guarantor on or around the Initial Issue Date, (the “**Security**”).

The Representative of the Covered Bondholders, acting on behalf of the Covered Bondholders and the other Secured Creditors, may:

(a) prior to enforcement of the Security, appoint and entrust the Guarantor to collect, in the Covered Bondholders and the other Secured Creditors’ interest and on their behalf, any amounts deriving from the Security and may instruct, jointly with the Guarantor, the obligors whose obligations form part of the Security to make any payments to be made thereunder to an Account of the Guarantor;

(b) acknowledge that the Accounts to which payments have been made in respect of the Security shall be deposit accounts for the purpose of article 2803 of the Italian Civil Code and agree that such Accounts shall be operated in compliance with the provisions of the Cash Management and Agency Agreement and the Intercreditor Agreement; and

(c) agree that all funds credited to the Accounts from time to time shall be applied prior to enforcement of the Security, in accordance with the Conditions and the Intercreditor Agreement.

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 Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement.

28.4 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.

28.5 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.

29 Reliance on Information

29.1 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, tax adviser, 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, in the absence of gross negligence (*colpa grave*) or willful miscounduct (*dolo*) on the part of Representative of the Covered Bondholders, 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.

29.2 Certificates of Issuer and/or Guarantor

The Representative of the Covered Bondholders may require, and shall be at liberty to accept as sufficient evidence:

(a) 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; and

(b) 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.

29.3 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.

29.4 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, regarding post-trading systems, issued jointly by the Bank of Italy and CONSOB on 13 February 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

29.5 Clearing Systems or Registrar

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 or Registrar, as the case may be, as the Representative of the Covered Bondholders considers appropriate, or any form of record made by any clearing system or Registrar, as the case may be, 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.

29.6 Rating Agency

The Representative of the Covered Bondholders 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 interests of the Covered Bondholders of any Series or of all Series for the time being outstanding if the Rating Agency has confirmed that the then current rating of the Covered Bonds of any such Series or all such Series (as the case may be) would not be adversely affected by such exercise, have otherwise given their consent or have otherwise informed the Representative of the Covered Bondholders that they will not take an adverse rating action as a result of the exercise by the Representative of the Covered Bondholders of any of its powers, authorities, duties or discretions hereunder.

If the Representative of the Covered Bondholders, in order to properly exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agency as to how a specific act would affect any outstanding rating of the Covered Bonds, the Representative of the Covered Bondholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Covered Bondholders, or the Representative of the Covered Bondholders may seek and obtain such views itself at the cost of the Issuer.

29.7 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:

(a) in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

(b) as any matter or fact prima facie within the knowledge of such party; or

(c) 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.

29.8 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.

30 Amendments and Modifications

30.1 The Representative of the Covered Bondholders may at any time and without the consent or sanction of the Covered Bondholders concur with the Issuer and/or the Guarantor and any other relevant parties in making any amendment and modification (and for this purpose the Representative of the Covered Bondholders may disregard whether any such amendment and modification relates to a Series Reserved Matter):

(a) to these Rules, the Conditions and/or the other Transaction Documents which, in the opinion of the Representative of the Covered Bondholders, it may be proper to make and will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series and the Secured Creditors; and

(b) to these Rules, the Conditions or the other Transaction Documents which is of a formal, minor or technical nature or, which, in the opinion of the Representative of the Covered Bondholders, is made to correct a manifest error or an error established as such to the satisfaction of the Representative of the Covered Bondholders or an error which is proven or is necessary or desirable for the purposes of clarification or to comply with mandatory provisions of law; and

(c) to these Rules, the Conditions or the other Transaction Documents which is required or opportune for the purposes of complying with a change in law or in the interpretation or administration of OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

30.2 Any such modification may be made on such terms and subject to such condition (if any) as the Representative of the Covered Bondholders determines and 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 17 (*Notices*) as soon as practicable thereafter.

30.3 The Representative of the Covered Bondholders shall be bound to concur with the Issuer and the Guarantor and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution and only if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

30.4 Establishing an error

In establishing whether an error has occurred 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:

(a) 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 Documents that is required to reflect such intention; and

(b) confirmation from Moody's 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 Waiver

31.1 Waiver of breach

The Representative of the Covered Bondholders may, at any time and from time to time without any consent or sanction of the Covered Bondholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, but only if, and insofar as, in its opinion the interests of the Covered Bondholders then outstanding shall not be materially prejudiced thereby:

(a) authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Covered Bond Guarantee or any of the obligations of or rights against the Guarantor under any other Transaction Documents; or

(b) determine that any Event of Default shall not be treated as such for the purposes of the Transaction Documents.

31.2 Binding nature

Any authorisation, waiver or determination referred to in this Article 31 (*Waiver*) shall be binding on the Covered Bondholders.

31.3 Restriction on powers

The Representative of the Covered Bondholders shall not exercise any powers conferred upon it by this Article 31 in contravention of any express direction by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding or of a request or direction in writing made by the holders of not less than 75 per cent in aggregate Outstanding Principal Balance of the Covered Bonds (in the case of any such determination, with the Covered Bonds of all Series taken together as a single Series as aforesaid) and at all times then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing but so that no such direction or request:

(a) shall affect any authorisation, waiver or determination previously given or made; or

(b) authorise or waive any such proposed breach or breach relating to a Series Reserved Matter unless holders of Covered Bonds of each such Series has, by Extraordinary Resolution, so authorised its exercise.

31.4 Notice of waiver

Unless the Representative of the Covered Bondholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Covered Bondholders and the Secured Creditors, as soon as practicable after it has been given or made in accordance with Condition 17 (*Notices*).

32 Indemnity

Pursuant to the Programme Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Covered Bondholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands duly documented and properly incurred by or made against the Representative of the Covered Bondholders, 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.

33 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 or the Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV
THE ORGANISATION OF THE COVERED BONDHOLDERS AFTER SERVICE OF A GUARANTOR DEFAULT NOTICE

34 Powers to Act on Behalf of the Guarantor

It is hereby acknowledged that, upon the service of a Guarantor Default Notice or, prior to the service of a Guarantor Default Notice, failing the Guarantor to exercise any right to which it is entitled, pursuant to the Intercreditor Agreement and 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 Secured 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 Intercreditor 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

35 Governing Law

These Rules and any non-contractual obligations arising out of, or in connection with, them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

36 Jurisdiction

The Courts of Milan will have exclusive 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**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended and superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (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.][41]

[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 ("**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 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 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.]

[**MIFID II Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of each 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 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. [*Consider any negative target market*.] 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 MiFID II 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.]

[**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

[41] 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 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".

the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is 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**"), only; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] 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 [●]

BPER Banca S.p.A.
a bank incorporated as a joint-stock company
(*società per azioni*) in the Republic of Italy

Legal Entity Identifier (LEI): N747OI7JINV7RUUH6190

Issue of [*Aggregate Nominal Amount of Tranche*] [*Description*] **Covered Bonds due** [*Maturity*]

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

Estense CPT Covered Bond S.r.l.
(incorporated as a limited liability company in the Republic of Italy)

Legal Entity Identifier (LEI): 815600CB91E077EF4425

under the Euro 7,000,000,000 Covered Bond Programme

PART A
CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the "**Conditions**") set forth in the base prospectus dated 31 January 2024 [and the prospectus supplement/s dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation (Regulation 2017/1129/EC) as amended from time to time (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Covered Bonds 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. 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. The Base Prospectus is available for viewing at the website of the Luxembourg Stock Exchange at www.luxse.com. These Final Terms will be published on website of the Luxembourg Stock Exchange at www.luxse.com.]

(*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	Series Number:	[●]
	(a) Tranche Number:	[●]

	(b) [Date on which the Covered Bonds will be consolidated and form a single Series:]	[The Covered Bonds will be consolidated and form a single Series with the Covered Bonds identified by ISIN CODE: No. [*insert ISIN Code*] on [the Issue Date] / [Not Applicable]
2	Specified Currency or Currencies:	[●]
3	Aggregate Nominal Amount:	[●]
	(a) Series:	[●]
	(b) Tranche:	[●]
4	Issue Price:	[●] per cent of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
5	Specified Denominations:	€ 100,000 [plus integral multiples of [●] in addition to the said sum of € [1,000]] (*Include the wording in square brackets where the Specified Denomination is Euro 100,000 or equivalent plus multiples of a lower principal amount*)
	(a) Calculation Amount:	[●]
6	Issue Date:	[●]
	(a) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
7	Maturity Date:	[*Specify date or (for Floating Rate Covered Bonds) CB 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) CB Payment Date falling in or nearest to the relevant month and year*] (as referred to in Condition 8(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 8(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] (as referred to in Condition 8(j))] / [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 8(i))
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 8(f))] [Call Option (as referred to in Condition 8(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*)
	(a)	Rate(s) of Interest:	[●] per cent per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(b)	CB 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] *(specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day")* / [not adjusted]
	(c)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(d)	Broken Amount(s):	[●] per Calculation Amount, payable on the CB Payment Date falling [in/on] [●]
	(e)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]
16	**Floating Rate Provisions**		[Applicable/Not Applicable] (as referred to in Condition 6) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	CB Interest Period(s):	[●]
	(b)	Specified Period:	[●] (*Specified Period and CB Payment Dates are alternatives.*

		A Specified Period, rather than CB 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")
(c)	CB Payment Dates:	[●] *(Specified Period and CB Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
(d)	First CB Payment Date:	[●]
(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(f)	Additional Business Centre(s):	[Not Applicable/ *Insert relevant place for Additional Business Centre*]
(g)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination / ISDA Determination]
(h)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Primary Paying Agent):	[•] / [Not Applicable]
(i)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	• 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, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)
(j)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
(k)	Margin(s):	[+/-][●] per cent per annum
(l)	Minimum Rate of Interest:	[●] per cent per annum

	(m)	Maximum Rate of Interest:	[●] per cent per annum
	(n)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]
17	**Zero Coupon Provisions**		[Applicable/Not Applicable] (as referred to in Condition 7) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Accrual Yield:	[●] per cent per annum
	(b)	Reference Price:	[●]

Provisions Relating to Redemption

18	**Call Option**		[Applicable/Not Applicable] (as referred to in Condition 8(d)) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) of Covered:	[●] per Calculation Amount
	(c)	If redeemable in part:	
	(d)	Minimum Redemption Amount:	[[●] per Calculation Amount/Not Applicable]
	(e)	Maximum Redemption Amount:	[●] per Calculation Amount/Not Applicable]
	(f)	Notice period:	[●]
19	**Put Option**		[Applicable/Not Applicable] (as referred to in Condition 8(f)) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) of each Covered Bonds:	[●] per Calculation Amount
	(c)	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 (which will always be redeemed at least at 100% of their nominal amount) 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 8)

	Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Guarantor Event of Default or other early redemption (if required or if different from that set out in the Conditions):	(*If both the Early Redemption Amount and the Early Termination Amount are the principal amount of the Covered Bonds/specify the Early Redemption Amount and/or the Early Termination Amount if different from 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(b) and 16 (f) 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/*insert amount of each instalment, date on which each payment is to be made*]

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
BPER BANCA S.P.A.

By:...
Duly authorised

Signed on behalf of
ESTENSE CPT COVERED BOND S.r.l.

By:...
Duly authorised

PART B
OTHER INFORMATION

1 Listing And Admission To Trading

(a)	Listing:	[Official List of the Luxembourg Stock Exchange / (*specify other*) / None]
(b)	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.] [The [●] were admitted to trading on [the regulated market of the Luxembourg Stock Exchange/ [●] (specify other regulated market)] with effect from [●]] (Where documenting a fungible issue, need to indicate that original Covered Bonds are already admitted to trading.)
(c)	Estimate of total expenses related to admission to trading:	[●]

2 Ratings

Ratings:	[Not Applicable] [The Covered Bonds to be issued have been rated: [Moody's: [●]] [[Other]: [●]] (*Need to include a brief explanation of the meaning of the rating if this has previously been published by the rating provider*) [*Insert legal name of particular credit rating agency entity providing rating*] 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] / [is neither registered nor has it applied for registration] under Regulation (EC) No. 1060/2009, as amended (the "**EU CRA Regulation**"). [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Covered Bonds is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] / [[*Insert legal name of particular credit rating agency*

entity providing rating] has been certified under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation").] / [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]]

(*Insert the following where the relevant credit rating agency is established in the United Kingdom:*)

[[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). [*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on [FCA]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] 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] / [is neither registered nor has it applied for registration] under Regulation (EC) No. 1060/2009, as amended (the "**EU CRA Regulation**").] / [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No. 1060/2009, as amended (the "**EU CRA Regulation**").] / [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No. 1060/2009, as amended (the "**EU CRA Regulation**") and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]]

(*Insert the following where the relevant credit rating agency is not established in the EEA or the United Kingdom.*)

[[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK [but the rating it has given to the Covered Bonds to be issued under the Programme is endorsed by [[*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended (the "**EU CRA Regulation**")] [and] [[*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")]]. / [but is certified under [Regulation (EU) No. 1060/2009, as amended (the "**EU CRA Regulation**")] [and] [Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"] / [and is not certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation.]]

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 United Kingdom and registered under the UK CRA Regulation unless (a) the rating is provided by a credit rating agency not established in the United Kingdom but is endorsed by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation, or (b) the rating is provided by a credit rating agency not established in the United Kingdom which is certified under the UK CRA Regulation.

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. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the Guarantor and their respective affiliates in the ordinary course of business. (amend as appropriate if there are other interests)]

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

4 Use and estimated net amount of the proceeds

Use of proceeds:	[●] [(*If the Covered Bonds are Green Bonds, Social Bonds or Sustainability Bonds, describe the relevant projects to which the net proceeds of the Covered Bonds will be applied or make reference to the relevant bond framework to which the net proceeds of the Covered Bonds will be applied. See "Use of Proceeds" wording in Base Prospectus*)]
Estimated net amounts of proceeds	[●]

5 Fixed Rate Covered Bonds only – Yield

Indication of yield:	[Not Applicable / [●]]

6 Floating Rate Covered Bonds only – Historic Interest Rates

[Not Applicable] / [Details of historic [EURIBOR/other] rates can be obtained from [Reuters] / [●] on the screen page [●].]

[Benchmark:	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) No. 2016/1011) (the "**EU Benchmarks Regulation**"). [As far as the Issuer is aware, [[●] does/do not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that regulation such that [●] is not currently required to obtain authorization or registration] / [the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [●] is not currently required to

obtain recognition, endorsement or equivalence).]

(*Note that the transitional provisions in Article 51 of the EU Benchmarks Regulation applies only in respect of benchmark administrators located outside the EU since 31 December 2021*)]

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:	[Compliant with Regulation S under U.S. Securities Act of 1933] / [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 offer of the Covered Bonds clearly does not constitute "packaged" products, or the Covered Bonds do constitute "packaged" products and a KID 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:	[●]
CFI	[•], [as published on the website of the Association of National Numbering Agencies or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable]
FISN	[•], [as published on the website of the Association of National Numbering Agencies 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 (*emesse in forma dematerializzata*) and wholly and exclusively deposited with Monte Titoli in accordance with article 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.)
European Covered Bonds (Premium)	[Applicable] / [Not Applicable]

KEY FEATURES OF REGISTERED COVERED BONDS (*NAMENSSCHULD VERSCHREIBUNGEN*)

The Issuer may issue, under the Programme, German law governed covered bonds in registered form (*Namensschuld verschreibungen*) (the "**Registered Covered Bonds**"), each issued with a minimum denomination indicated in the applicable terms and conditions of the relevant Registered Covered Bonds (the "**Registered CB Conditions**").

The Registered Covered Bonds shall be governed by a set of legal documentation in the form from time to time agreed with the relevant Dealer and will not be governed by the Conditions set out in this Base Prospectus. Such legal documentation will comprise the relevant Registered CB Conditions, the form of assignment agreement, attached to the Registered CB Conditions, to be used for any subsequent transfer of the Registered Covered Bonds (the "**Assignment Agreement**"), the related Registered Covered Bonds rules of organisation agreement, in the form from time to time agreed with the relevant Dealer, pursuant to which the holders of the Registered Covered Bonds will (a) agree to be bound by the terms of the Transaction Documents and (b) undertake to comply with the obligations, limitations and other covenants as to the exercise of certain rights in accordance with the principles set out in the Rules of the Organisation of the Covered Bondholders (the "**Registered CB Rules Agreement**") and the letter of appointment of (i) any additional paying agent in respect of the Registered Covered Bonds (the "**Registered Paying Agent**") and (ii) the registrar in respect of the Registered Covered Bonds (the "**Registrar**"). Notwithstanding the foregoing, the Issuer will be entitled to enter into a different or additional set of documentation as agreed with the relevant Dealer in relation to a specific issue of Registered Covered Bonds.

The relevant Registered Covered Bonds, together with the related Registered CB Conditions attached thereto, the relevant Registered CB Rules Agreement and any other document expressed to govern such Registered Covered Bonds, will constitute the full terms and conditions of the relevant Registered Covered Bonds.

The Registered Covered Bonds will constitute direct, unconditional, unsubordinated obligations of the Issuer, guaranteed by the Guarantor pursuant to the terms of the Covered Bond Guarantee with limited recourse to the Available Funds. The Registered Covered Bonds will rank *pari passu* and without any preference among themselves and the Covered Bonds, except in respect of the applicable maturity of each Series or Tranche of the Covered Bonds and the Registered Covered Bonds (as applicable), 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 of Registered Covered Bonds or Series or Tranche of Covered Bonds, from time to time outstanding.

In accordance with the legal framework established by Law 130 and the MEF Decree and with the terms and conditions of the relevant Registered CB Rules Agreement and the Transaction Documents, the holders of Registered Covered Bonds shall have recourse to the Issuer and to the Guarantor, provided, however, that recourse to the Guarantor shall be limited to the Available Funds and the assets comprised in the Cover Pool, subject to, and in accordance with, the relevant Priority of Payments.

The payment obligations under all the Registered Covered Bonds and the Covered Bonds issued from time to time shall be cross-collateralised by all the assets included in the Cover Pool, through the Covered Bond Guarantee.

The Registered Covered Bonds will not be listed and/or admitted to trading on any market and will not be settled through a clearing system. Registered Covered Bonds will be issued in registered form (*nominativi*) as *Namensschuld verschreibungen* and will not be dematerialised. Approval by the CSSF relates only to the Covered Bonds and does not include the Registered Covered Bonds.

The Registered Covered Bonds will be governed by the laws of the Federal Republic of Germany, save that, in any case, certain provisions (including those relating to status, limited recourse of the Registered Covered Bonds and those applicable to the Issuer and the Cover Pool) shall be governed by Italian law.

In connection with the Registered Covered Bonds, references in this Base Prospectus to information being set out, specified, stated, shown, indicated or otherwise provided for in the applicable Final Terms shall be read and construed as a reference to such information being set out, specified, stated, shown, indicated or otherwise provided in the relevant Registered CB Conditions, the Registered CB Rules Agreement relating thereto or any other document expressed to govern such Registered Covered Bonds and, as applicable, each other reference to Final Terms in the Base Prospectus shall be construed and read as a reference to such Registered CB Conditions, the Registered CB Rules Agreement thereto or any other document expressed to govern such Registered Covered Bonds.

A transfer of Registered Covered Bonds shall not be effective until the transferee has delivered to the Registrar a duly executed Assignment Agreement. A transfer can only occur for the minimum denomination indicated in the applicable Registered CB Conditions or multiples thereof.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force (and practice in effect) 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.

The following is a general overview of current Italian law and practice relating to certain Italian tax matters concerning the purchase, ownership and disposal of the Covered Bonds. It 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 may be subject to special rules. 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.

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.

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, hereinafter collectively referred to as "**Interest**") from notes issued, *inter alia*, by Italian banks, falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*). For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and do not attribute to the holders any direct or indirect right to control or participate to the management of the Issuer.

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 effectively connected (unless the individual has opted for the application of the "risparmio gestito" regime – see "*Capital Gains Tax*" below), (b) a non-commercial partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), (c) a non-commercial private or public institution, or (d) an investor exempt from Italian corporate income taxation, 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 per cent.

In the event that the Covered Bondholders described under (a) or (c) above are engaged in an entrepreneurial activity to which the Covered Bonds are connected, the *imposta sostitutiva* applies as a provisional tax payment. 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 (*enti di previdenza obbligatoria*) may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest 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 set forth under Italian tax law.

Where an Italian resident Covered Bondholder is a company or similar commercial entity (including limited partnership qualified as *società in nome collettivo or società in accomandita semplice* and private or public institutions carrying out commercial activities and holding the Covered Bonds in connection with this kind of activities) 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**") (and, in certain circumstances, depending on the "*status*" of the Covered Bondholder, also to regional tax on productive activities ("**IRAP**")).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 ("**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, as amended, payments of Interest in respect of the Covered Bonds (deposited with an authorised intermediary) made to Italian resident real estate investment funds established pursuant to Article 37 of Financial Law, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital ("**Real Estate SICAFs**" and, together with the Italian resident real estate investment funds, the "**Real Estate Funds**"), are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Funds, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Funds is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

If an investor is resident in Italy and is an open-ended or a closed-ended investment fund, a non-real estate SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant 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 accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions and/or redemption made in favour of unitholders or shareholders.

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 result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the 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 set forth under Italian tax 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**"), stock exchange agents and other entities identified by a Decree of the Ministry of Economy and Finance (each an "**Intermediary**") as subsequently amended and integrated.

An Intermediary must: (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary or a non-Italian resident financial intermediary – acting through a central securities depository – which is directly connected with the Italian Revenue Agency, having appointed an Italian tax representative for the purposes of Legislative Decree 239 and (b) 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 of the 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 Italian financial intermediary paying interest to a Covered Bondholder or, absent that, by the Issuer.

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 the *imposta sostitutiva* applies provided that the non-Italian resident (a) is the beneficial owner of the payment of Interest received under the Covered Bonds, (b) is resident, for tax purposes, in a country or territory which allows for a satisfactory exchange of information with Italy as currently listed in the Italian Ministerial Decree of 4 September 1996, and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Decree No. 239 (the "**White List**"). It should be noted that, 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; and (c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Covered Bonds made to (a) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (b) a Central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (c) an institutional investor incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country.

In order to ensure gross payment, non-Italian resident investors must be the beneficial owners of payments of Interest 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-Italian resident operator of a clearing system having appointed as its agent in Italy for the purposes of Decree No. 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 in due time with the relevant depositary, prior to or concurrently with the deposit of the Covered Bonds, a statement of the relevant Covered Bondholder, to be provided only once, until revoked or withdrawn, 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 or in the case of foreign Central Banks or entities which manage the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

Failure of a non-resident Covered Bondholder to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on payments of Interest made to a non-resident Covered Bondholder.

Should the above exemptions not be applicable, non-Italian resident Covered Bondholder may be entitled to claim, if certain relevant conditions are met, a reduction of the 26 per cent *imposta sostitutiva* under the double taxation treaty, if any, between Italy and its State country of residence, subject to timely filing of required documentation.

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. 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 subject to a provisional withholding tax at a rate of 26 per cent pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In case of payments to non-Italian resident Covered Bondholders, the withholding tax may be applied at 26 per cent as a final tax.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

In accordance with another interpretation, any such payment made by the Italian resident guarantor will 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.

Atypical Securities

Interest payments relating to Covered Bonds that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), shares or securities similar to shares pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 may be subject to a withholding tax, levied at the rate of 26 per cent.

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 to which the Covered Bonds are effectively connected, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax applies as a provisional withholding tax. In all other cases, including when the Covered Bondholder is a non-Italian resident, the withholding tax is levied as a final withholding tax.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian resident Covered Bondholders, subject to proper compliance with relevant subjective and procedural requirements.

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 (*enti di previdenza obbligatoria*) may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Covered Bonds if the Covered Bonds, not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) and qualify as *titoli atipici* ("atypical securities") pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, 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 under Italian tax law.

Capital gains tax

Italian resident Covered Bondholders

Any gain obtained from the sale, early redemption or redemption of the Covered Bonds would be treated as part of the taxable income subject to income tax in Italy according to the relevant ordinary tax rules (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 effectively 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 holding the Covered Bonds not in connection with an entrepreneurial activity, (ii) a non-commercial partnership (other than a *società in nome collettivo or società in accomandita semplice* or similar partnership), (iii) a non-commercial private or public institution, any capital gain realised by such Covered Bondholder from the sale, early redemption or redemption of the Covered Bonds would be subject to a capital gain tax provided by Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**"), levied at the current rate of 26 per cent ("**CGT**"). Covered Bondholders may set off losses with gains.

In respect of the application of the CGT, taxpayers may opt for one of the three regimes described below.

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 CGT on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Covered Bondholder holding the Covered Bonds not in connection with an entrepreneurial activity pursuant to all sales, early redemption or redemptions of the Covered Bonds carried out during any given tax year. The relevant Covered Bondholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay CGT 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.

As an alternative to the tax declaration regime, Italian resident Covered Bondholders holding the Covered Bonds under (i) to (iii) above may elect to pay the CGT separately on capital gains realised on each sale, early redemption or redemption of the Covered Bonds (the *risparmio amministrato* regime provided for by Article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (a) the Covered Bonds being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express and valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Covered Bondholder. The depository is responsible for accounting for CGT in respect of capital gains realised on each sale, early redemption or redemption of the Covered Bonds (as well as in respect of capital gains realised upon the revocation of its mandate), 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 sale, early redemption or redemption 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.

Any capital gains realised or accrued by Italian Covered Bondholder under (i) to (iii) above who have entrusted the management of their financial assets, including the Covered Bonds, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime provided for 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 per cent 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 conditions (including minimum holding period requirement) and limitations, capital gains on the Covered Bonds may be exempt from any income taxation (including from the 26 per cent. *substitute tax*) if the Covered Bondholders are Italian resident individuals not engaged in 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 and the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from titme to time applicable as set forth under Italian tax law.

Any capital gains realised by a Covered Bondholder who is a Fund will be included in the result of the relevant portfolio accrued at the end of the tax period. Such result will not be taxed with the Fund, but subsequent distributions and/or redemption in favour of unitholders or shareholders may be subject to a withholding tax of 26 per cent.

Any capital gains realised by a Covered Bondholder who is a Real Estate Fund will be subject neither to CGT nor to any other income tax at the level of the Real Estate Fund.

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 per cent substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on 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 under Italian tax law.

Non-Italian resident Covered Bondholders

Capital gains realised by non-Italian-resident Covered Bondholders without a permanent establishment in Italy to which Covered Bonds are effectively connected, from the sale, early redemption or redemption of Covered Bonds issued by an Italian resident Issuer are not subject to Italian taxation, provided that the Covered Bonds are traded on regulated markets. The exemption applies provided that the non-Italian resident Covered Bondholders file in due course with the authorized financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Covered Bondholder is not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Covered Bondholders without a permanent establishment in Italy to which Covered Bonds are effectively connected, from the sale, early redemption or redemption of Covered Bonds not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; 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 included in the White List, even if it does not possess the status of a taxpayer in its own country of residence, and subject to timely filing of the required documentation.

If none of the conditions above are met, capital gains realised by non-Italian resident Covered Bondholders without a permanent establishment in Italy to which Covered Bonds are effectively connected, from the sale or redemption of Covered Bonds issued by an Italian resident Issuer are subject to the CGT at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Covered Bonds are connected, that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale, early redemption or redemption of Covered Bonds are to be taxed only in the country of tax residence of the recipient, will not be subject to CGT in Italy, subject to timely filing of required documentation, on any capital gains realised upon the sale, early redemption or redemption of Covered Bonds.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 ("**Decree No. 262**"), 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 per cent on the value of the inheritance or the gift exceeding € 1,000,000, for each beneficiary;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law, or other relatives-in law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the value of the inheritance or the gift exceeding € 100,000, for each beneficiary; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities pursuant to Law No. 104 of 5 February 1992, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

The transfer of financial instruments as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term saving account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian tax law.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject, as far as relevant, to the registration tax as follows: (a) public deeds and notarized deeds are subject to fixed registration tax of €200; (b) private deeds are subject to registration tax of €200 only in case of use or voluntary registration (*registrazione volontaria*), in case of occurrence of the so-called *enunciazione* or in case of use (*caso d'uso*).

Stamp duty

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 (**Decree No. 642**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based financial intermediary to a Covered Bondholder in respect of any Covered Bond which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.2 per cent. (and cannot exceed €14,000, for taxpayers other than individuals) on the market value or – if no market value figure is available – the nominal value or redemption amount of the Covered Bonds held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the 0.2 per cent 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) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

In accordance with Article 19 of Decree No. 201 of 6 December 2011, converted with Law No. 214 of 22 December 2011, as subsequently amended, Italian resident individuals, non-business entities and non-business partnerships that are resident in Italy holding the Covered Bonds outside the Italian territory are required to pay in their own annual tax declaration a wealth tax which applies at a rate of 0.2 per cent (0.4 per cent., as of 2024, in case of financial assets held in States or territories with privileged tax regime identified by the Ministerial Decree of the Ministry of Economy and Finance of May 4, 1999). This tax is calculated on the market value of the Covered Bonds at the end of the relevant year or – if no market value figure is available – on the nominal value or the redemption value of such financial assets held outside the Italian territory. Pursuant to Article 134 of Law Decree No. 34 of 19 May 2020, the wealth tax cannot exceed €14,000.00 per year for Covered Bondholders other than individuals.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes, if any, paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Covered Bonds held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Covered Bonds deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Covered Bonds have been subject to tax by the same tax intermediaries; or (iii) the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed €15,000.00 threshold throughout the year.

LUXEMBOURG TAXATION

The following overview is of a general nature and is included herein solely for information purposes. It is based on the laws currently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in Covered Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), the employment fund solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the employment fund solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Covered Bondholders

Withholding Tax

Non-resident Covered Bondholders

Under Luxembourg general tax laws currently in force, no withholding tax is levied either on payments of principal, premium or interest made to non-residents Covered Bondholders, or on accrued but unpaid interest. In respect of Covered Bonds, no Luxembourg withholding tax is payable upon redemption or repurchase of Covered Bonds held by non-resident Covered Bondholders.

Resident Covered Bondholders

In accordance with the law of 23 December 2005, as amended and supplemented from time to time (the "**Relibi Law**"), interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent withholding tax. Responsibility for the withholding of such tax will be assumed by the Luxembourg paying agent.

Income Taxation

Non-resident Covered Bondholders

Non-resident corporate Covered Bondholders or non-resident individual Covered Bondholders acting in the course of the management of a professional or business undertaking, who do not have a permanent establishment or permanent representative in Luxembourg to which such Covered Bonds are attributable, are not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts under the Covered Bonds or on any gains realised upon the sale or disposal, in any form whatsoever, of the Covered Bonds.

Resident Covered Bondholders

A resident corporate Covered Bondholder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Covered Bonds, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual Covered Bondholder, acting in the course of the management of a professional or business undertaking. Covered Bondholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

A Covered Bondholder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies), is neither subject to Luxembourg income tax in respect of interest accrued or received, redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Covered Bonds.

A resident individual Covered Bondholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Covered Bonds, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual Covered Bondholder has opted for the application of a 20 per cent (self-applied) tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the EU Savings Directive. A gain realised by an individual Covered Bondholder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of the Covered Bonds is not subject to Luxembourg income tax, provided that this sale or disposal took place more than six months after the Covered Bonds were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if withholding tax has been levied on such interest in accordance with the Relibi Law.

Net Wealth Taxation

A corporate Covered Bondholder, whether it is resident of Luxembourg for tax purposes or, if it maintains a permanent establishment or a permanent representative in Luxembourg to which such Covered Bonds are attributable, is subject to Luxembourg net wealth tax on these Covered Bonds, except if the Covered Bondholder is governed by (i) the law of 11 May 2007 on family estate management companies, as amended, (ii) the law of 17 December 2010 on undertakings for collective investment, as amended and/or supplemented from time to time, (iii) the law of 13 February 2007 on specialised investment funds, as amended and/or supplemented from time to time, (iv) the law of 22 March 2004 on securitisation, as amended and/or supplemented from time to time, or (v) the law of 15 June 2004 on venture capital vehicles, as amended and/or supplemented from time to time, or (vi) the law of 23 July 2016 on reserved alternative investment funds.

An individual Covered Bondholder, whether she/he is resident of Luxembourg or not, is not subject to Luxembourg net wealth tax.

Further to the law dated 18 December 2015, Luxembourg levies a minimum net wealth tax for corporate taxpayers, which is due even if the net asset value of the corporate taxpayer is nil or negaltive. This minimum net wealth tax amounts to a Euro 4,815 flat rate for corporate taxpayers whose total assets amount to at least Euro 350,000 and at least 90% of the corporate taxpayer's assets are financial assets falling within the meaning of accounts 23, 41, 50 and 51 of Luxembourg Plan Comptable Normalisé.

In all other cases, corporate taxpayers are subject to a minimum net wealth tax ranging from Euro 535 to Euro 32,100. All Luxembourg corporate taxpayers that are subject to net wealth tax are also subject to minimum net wealth tax.

Additionally, please note that securitization companies governed by the law of 22 March 2004 on securitization, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) and which fall under the special tax regime set out under article 48 thereof may be subject to minimum net wealth tax.

Other Taxes

Neither the issuance nor the transfer of Covered Bonds will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties, unless the documents relating to the Covered Bonds are voluntarily registered in Luxembourg or appended to a document that requires obligatory registration in Luxembourg.

Where a Covered Bondholder is a resident of Luxembourg for tax purposes at the time of her/his death, the Covered Bonds are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Covered Bonds if embodied in a Luxembourg deed or recorded in Luxembourg.

FATCA WITHHOLDING

Pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, 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 the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the 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 the Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Further, Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income 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 (including by reason of a substitution of the Issuer). 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. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds. 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.

SUBSCRIPTION AND SALE

Programme Agreement

Covered Bonds may be sold from time to time by the Issuer to any one or more dealers (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, the Dealers are set out in a programme agreement entered into in the context of the Programme between the Issuer, the Guarantor, the Representative of the Covered Bondholders, the Arranger and the Initial Dealer (the "**Programme Agreement**"). The Programme Agreement makes provision for, *inter alia*, an indemnity to the Dealers against certain liabilities in connection with the offer and sale of the Covered Bonds. The Programme Agreement also 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 Series or Tranche. The Programme Agreement contains stabilising and market making provisions.

Subscription Agreement

In respect of any syndicated issue of Covered Bonds, the Issuer, the Representative of the Covered Bondholders and any one or more of the Dealers and/or any additional or other dealers, from time to time will enter into a subscription agreement (a "**Subscription Agreement**" and each Dealer party thereto, a "**Relevant Dealer**"). Each 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.

Selling Restrictions

United States of America and its Territories

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 or delivered within the United States of America or to, or for the account or benefit of, Risk Retention U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws under circumstances designed to preclude the Issuer from having to register under the Securities Act. The Dealer represents and agrees that it has not offered or sold or delivered the Cover Bonds, and will not offer or sell the Covered Bonds within the United States or to, or for the account or benefit of, Risk Retention U.S. Person (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Covered Bonds are first offered to Persons other than Distributors in reliance on Regulation S and (b) the Issue Date, except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Dealer nor their respective Affiliates ("**Affiliates**") (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any Persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Cover Bonds, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of the sale of Cover Bonds, the Dealer will have sent to each Distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Cover Bonds from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice to substantially the following effect:

The Cover Bonds covered hereby have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, Risk Retention U.S. Person (i) by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Covered Bonds are first offered to Persons other than Distributors in reliance on Regulation S and (b) the Issue Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act.

The Cover Bonds may not be offered, or sold within the United States or to, or for the account or benefit of, Risk Retention U.S. Person except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of 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**" or the "**Financial Instruments and Exchange Act**"). Accordingly, 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, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law 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.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "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 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 ("**EEA**"). For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, 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;

   (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales 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 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 that Member 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 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 for the Covered Bonds and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK 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 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 ("**UK**"). For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (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 UK domestic law by virtue of the EUWA;

   (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA; and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK 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 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 United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the Prospectus Regulation 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 the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(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 the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA.

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 Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision, 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.

The United Kingdom

In relation to each Series of Covered Bonds, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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, as the case may be; and

(b) 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.

Republic of France

Without prejudice to the paragraph entitled “Prohibition of Sales to EEA Retail Investors” above, each of the Dealers and the Issuer 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 has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the applicable 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 of the French Code monétaire et financier and Article 2 item (e) of the Prospectus Regulation.

Germany

Each Dealer has represented and agreed 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*), or any other laws applicable in the Federal Republic of Germany to the offering and sale of the Covered Bonds.

Republic of Italy

The offering of the Covered Bonds has not been registered with the Commissione Nazionale per la Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation. Without prejudice to the paragraph entitled "Prohibition of Sales to EEA Retail Investors" above, 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 which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any applicable Italian law and regulation.

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

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 ("**Consolidated Banking Act**"), Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 (in each case, as amended from time to time) and any other applicable law and regulation;

(b) in compliance with Article 129 of the Consolidated Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(c) in compliance with any other applicable law, regulation, and requirement imposed by the CONSOB and/or another Italian authority.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply to the best of its knowledge and belief with all applicable securities laws, regulations and directives in force in each jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have responsibility therefor (with specific reference to the jurisdictions of the United States of America, United Kingdom, Japan, France, Germany and the Republic of Italy, see above).

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 this paragraph headed "General".

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in a supplement to this Base Prospectus.

GENERAL INFORMATION

Listing, admission to trading and minimum denomination

Application has been made for the Covered Bonds (other than Registered Covered Bonds) to be admitted during the period of 12 months from the date of this Base Prospectus to the Official List and be traded on the regulated market of the Luxembourg Stock Exchange.

Covered Bonds (other than Registered Covered Bonds) may be listed on such other stock exchange as the Issuer and the Relevant Dealer(s) may agree, as specified in the relevant Final Terms, or may be issued on an unlisted basis.

Where Covered Bonds (other than Registered 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 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).

The Registered CB Conditions will specify the minimum denomination for the Registered Covered Bonds. No Registered Covered Bond will be listed and/or admitted to trading on any market.

Authorisations

The establishment of the Programme was authorised by certain resolutions of the Board of Directors of the Issuer on 3 March 2015, 24 March 2015, 28 July 2015 and 20 October 2015. The publication of this Base Prospectus was authorised by a resolution of the Board of Directors of the Issuer on 28 September 2023.

The granting of the Covered Bond Guarantee was authorised by a resolution of the Board of Directors of the Guarantor on 20 November 2015.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Covered Bonds.

Clearing of the Covered Bonds

The Covered Bonds (other than the Registered Covered Bonds) will be issued in dematerialised form and held on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (including Euroclear and Clearstream). The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. 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.

The Registered Covered Bonds will not be settled through a clearing system. The Registered CB Conditions will specify the agent or registrar through which payments under the Registered Covered Bonds will be made and settled.

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number in relation to the Covered Bonds of each Series or Tranche (other than the Registered Covered Bonds) will be specified in the Final Terms relating thereto.

The Representative of the Covered Bondholders

Pursuant to the provisions of the Conditions and the Rules of Organisation of the Covered Bondholders, there shall be at all times a Representative of the Covered Bondholders appointed to act in the interest and on behalf of the Covered Bondholders. The Representative of Covered Bondholders is as at the date of this Base Prospectus Banca Finanziaria Internazionale S.p.A..

No material litigation

During the 12 months preceding the date of this Base Prospectus, there have been no governmental, legal or arbitration proceedings, nor is the Issuer or the Guarantor aware of any pending or threatened proceedings of such kind, which have had or may have significant effect on the Issuer's or the Guarantor's financial position or profitability.

No material adverse change

There has been no material adverse change in the prospects of the Issuer and its Group since 31 December 2022 (the last date to which the latest audited published financial information of the Issuer was prepared).

There has been no material adverse change in the prospects of the Guarantor since 31 December 2022 (the last date to which the latest published financial information of the Guarantor was prepared).

No significant change in the Issuer's and Guarantor's financial position or financial performance

Since 30 June 2023 (the end of the last financial period for which a limited review report on operations has been published), there has been no significant change in the financial position or in the financial performance of the Issuer and its subsidiaries.

Since 31 December 2022 (the last date to which the latest published financial information of the Guarantor was prepared), there has been no significant change in the financial position or in the financial performance of the Guarantor.

Luxembourg Listing Agent

The Issuer has undertaken to maintain a listing agent in Luxembourg so long as Covered Bonds are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

Documents available for inspection

For so long as the Programme remains in effect or any Covered Bonds shall be outstanding and listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, without prejudice to paragraph "*Publication on the Internet*", 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 Covered Bond Guarantee (which is also available on https://istituzionale.bper.it/documents/133577364/133965830/BPER+OBG2+-+Covered_Bond_Guarentee.pdf/7a798a7d-d3f9-0cc8-77cc-53b9145ca2d9?version=2.0&t=1706173631850&download=true);

(b) the Issuer's by-laws (*Statuto*) as of the date of this Base Prospectus;

(c) the Guarantor's by-laws (*Statuto*) as of the date of this Base Prospectus;

(d) the Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2023;

(e) the Issuer's unaudited consolidated interim report on operations (without a review report) as at 31 March 2023;

(f) the Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022;

(g) the Issuer's consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 in respect of the year ended on 31 December 2022 (Sustainability Report 2022);

(h) the Issuer's unaudited consolidated half-year report (including limited review report) as at 30 June 2022;

(i) the Issuer's consolidated audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021;

(j) the Guarantor's audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2022;

(k) the Guarantor's audited annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2021;

(l) the BPER Group press release dated 26 April 2023 entitled "*Results of the Ordinary Shareholders' Meeting of 26 April 2023*";

(m) the Issuer's unaudited consolidated interim report on operations (without a review report) as at 30 September 2023;

(n) the BPER Group press release dated 23 December 2023 entitled "*Agreement signed between BPER Banca and Trade Unions*";

(o) 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; and

(p) any other document incorporated by reference.

Copies of all such documents shall also be available to Covered Bondholders at the Specified Office of the Representative of the Covered Bondholders.

In accordance with the applicable laws and regulations, any document incorporated by reference hereto and referring to the guarantee attached to the Covered Bonds may be found at the following website: https://istituzionale.bper.it/en/investor-relations/bonds-prospectus/estense-cpt-covered-bond.

If the Programme is listed and admitted to trading in a regulated market, either than the Luxembourg Stock Exchange, the documentation listed above shall be made available pursuant to the applicable rules of the relevant regulated market.

In any case, copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus and copies of any Final Terms relating to the Covered Bonds will remain publicly available in electronic form for at least 10 years on https://istituzionale.bper.it/en/investor-relations/bonds-prospectus/estense-cpt-covered-bond.

Financial statements available

For so long as the Programme remains in effect or any Covered Bonds listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange shall be outstanding, copies and, where appropriate, English translations of the most recent publicly available financial statements and consolidated financial statements of the Issuer may be obtained during normal business hours at the specified office of the Luxembourg Listing Agent.

For so long as the Programme remains in effect or any Covered Bonds listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange shall be outstanding, copies and, where appropriate, English translations of the most recent available financial statements of the Guarantor may be obtained during normal business hours at the specified office of the Luxembourg Listing Agent.

The external auditors have given, and have not withdrawn, their consent to the inclusion of their report on the accounts of the Issuer and the Guarantor in this Base Prospectus in the form and context in which it is included.

In addition, for so long as the Programme remains in effect or any Covered Bonds listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange shall be outstanding, copies and, where appropriate, English translations of the most recent Investor Report may be obtained, free of charge, during normal business hours at the specified office of the Luxembourg Listing Agent.

Publication on the Internet

For the purposes of Article 21.3 of the Prospectus Regulation, this Base Prospectus, any supplement hereto and the Final Terms will be available on a dedicated section of the internet website of the Luxembourg Stock Exchange.

Material contracts

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.

Auditors

Deloitte & Touche S.p.A. ("**Deloitte**"), whose registered office is at Via Tortona, 25, 20144 Milan, Italy, is the current auditor of the Issuer and the Guarantor and is registered in the Register of Certified Auditors (*Registro dei Revisori Legali*) held by the Ministery for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012. Deloitte is also a member of ASSIREVI – Associazione Nazionale Revisori Contabili. The engagement of Deloitte & Touche S.p.A. will expire upon approval of the Issuer's financial statements as at and for the year ending 31 December 2025.

The auditors of Deloitte & Touche S.p.A. have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended on 31 December 2022 and 31 December 2021 and on the financial statements of the Guarantor for the years ended on 31 December 2022 and 31 December 2021.

Deloitte applied a limited review report to the Issuer's interim financial statements as of 30 June 2022 and 30 June 2023, in accordance with the generally accepted auditing standards in Italy.

Websites

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.

GLOSSARY

The following terms are used throughout this Base Prospectus. The page number opposite a term indicates the page on which such term is first defined. These and other terms used in this Base Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

ISSUER, SERVICER, INITIAL SELLER, PRIMARY PAYING AGENT, CALCULATION AGENT, ACCOUNT BANK AND CASH MANAGER

BPER Banca S.p.A.
Via San Carlo, 8/20
41121 Modena
Italy

GUARANTOR

Estense CPT Covered Bond S.r.l.
Via Vittorio Alfieri, 1
31015 Conegliano (TV)
Italy

ARRANGER

UBS EUROPE SE
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main
Germany

DEALER

UBS EUROPE SE
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main
Germany

REPRESENTATIVE OF THE COVERED BONDHOLDERS, BACK-UP SERVICER FACILITATOR AND GUARANTOR CALCULATION AGENT

Banca Finanziaria Internazionale S.p.A.
Via Alfieri, 1
31015 Conegliano (TV)
Italy

BACK-UP ACCOUNT BANK AND SUBSEQUENT PAYING AGENT

Bank of New York Mellon SA/NV - Milan Branch
Via Mike Bongiorno, 13
20124 Milan
Italy

LUXEMBOURG LISTING AGENT

Banque International à Luxembourg SA
69, route d'Esch Office PLM – 101 F
L-2953 Luxembourg

LEGAL ADVISERS

To the Issuer

As to Italian law and English law

Orrick, Herrington & Sutcliffe (Europe) LLP
Piazza della Croce Rossa, 2
00161 Rome
Italy

To the Arranger and the Dealer

As to Italian law and English law

Dentons Europe Studio Legale Tributario
Piazza degli Affari, 1
20123 Milan
Italy

AUDITORS

To the Issuer and Guarantor

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milan
Italy