UniCredit S.p.A.

(incorporated with limited liability as a "Società per Azioni" under the laws of the Republic of Italy)

€25,000,000,000

Obbligazioni Bancarie Garantite Programme

Guaranteed by UniCredit OBG S.r.l.

(incorporated with limited liability as a "Società a responsabilità limitata" under the laws of the Republic of Italy)

Under the €25,000,000,000 Obbligazioni Bancarie Garantite Programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), UniCredit S.p.A. (in its capacity as issuer of the OBG, as defined below, the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obbligazioni bancarie garantite* (the "**OBG**") guaranteed by UniCredit OBG S.r.l. (the "**OBG Guarantor**") pursuant to Article 7 *bis* of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Law 130**") and regulated by the Decree of the Ministry of Economy and Finance of 14 December 2006, No. 310, as amended from time to time (the "**MEF Decree**") and the supervisory guidelines of the Bank of Italy set out in Title V, Chapter 3 of the "Nuove Disposizioni di Vigilanza Prudenziale per le Banche" (Circolare No. 263 of 27 December 2006), as amended and supplemented from time to time (the "**BoI OBG Regulations**").

The payment of all amounts due in respect of the OBG will be unconditionally and irrevocably guaranteed by the OBG Guarantor. Recourse against the OBG Guarantor is limited to the Available Funds (both as defined below).

The maximum aggregate nominal amount of OBG from time to time outstanding under the Programme will not at any time exceed €25,000,000,000, subject to increase as provided for under the Dealer Agreement.

The OBG issued under the Programme will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the relevant Final Terms.

The OBG may be issued on a continuing basis to the Dealer(s) appointed under the Programme in respect of the OBG from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), the appointment of which may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of OBG being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such OBG.

This Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") and the relevant implementing measures in the Grand Duchy of Luxembourg. This Prospectus will be available on the Luxembourg Stock Exchange website at www.bourse.lu.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purposes of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purposes of giving information with regard to the issue of OBG under the Programme during the period of twelve (12) months after the date hereof.

By approving this Base Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality and solvency of the Issuer in accordance with the provisions of Article 7 (7) of the Luxembourg law on prospectuses for securities.

Application has also been made to the Luxembourg Stock Exchange for the OBG issued under the Programme to be admitted during the period of 12 months from the date of this Prospectus to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to OBG being "listed" (and all related references) shall mean that such OBG have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. However, unlisted OBG may be issued pursuant to the Programme. The relevant Final Terms (as defined below) in respect of the issue of any OBG will specify whether or not such OBG will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market (or any other stock exchange).

Each Series or Tranche (as defined herein) of OBG may be issued without the consent of the holders of any outstanding OBG, subject to certain conditions. OBG of different Series or Tranche may have different terms and conditions, including, without limitation, different maturity dates. Notice of the aggregate nominal amount of OBG, interest (if any) payable in respect of OBG, the issue price of OBG and any other terms and conditions not contained herein which are applicable to each Series or Tranche will be set out in final terms (the "**Final Terms**") which, with respect to OBG to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the OBG of such Series or Tranche.

The OBG will be issued in dematerialised form (*emesse in forma dematerializzata*) will be subject to the terms of the Conditions and the applicable Final Terms and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A. with registered office at Piazza degli Affari 6, 20123 Milan, 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* ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**"). The OBG of each Series or Tranche, issued in dematerialised form, will be deposited by the Issuer with Monte Titoli on the relevant Issue Date (as defined herein), will be in bearer form, will be at all times be in book entry form and title to the relevant OBG of each Series or Tranche will be evidenced by book entry in accordance with the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended and supplemented (the "**Financial Services Act**"), and with regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the OBG of each Series or Tranche.

The OBG of each Series or Tranche will mature on the date mentioned in the applicable Final Terms (each a "**Maturity Date**"). Before the relevant Maturity Date, the OBG of each Series or Tranche will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in the Conditions (as defined below)).

Subject to certain exceptions as provided for in Condition 10 (*Taxation*), payments in respect of the OBG to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction. In the event that any such withholding or deduction is made the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the OBG will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition 8(c). The OBG Guarantor will not be liable to pay any additional amount due to taxation reasons in case an Issuer Event of Default (as defined below) has occurred. See "*Taxation*", below.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

Sole Arranger

UniCredit Bank AG, London Branch

Dealer

UniCredit Bank AG

The date of this Prospectus is 20 January 2012.

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purpose of giving information with regard to the Issuer, the OBG Guarantor and the OBG which, according to the particular nature of the OBG, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the OBG Guarantor and of the rights attaching to the OBG.

The Issuer accepts responsibility for the information contained in this Prospectus other than the information (regarding the OBG Guarantor set out in the section headed "*Description of the OBG Guarantor*" below) for which the OBG Guarantor accepts responsibility (collectively with the Issuer, the "**Responsible Persons**"). To the best of the knowledge of the Responsible Persons, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of OBG 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 set out below of the Paying Agent (as defined below) and, in respect of listed OBG only, on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In the case of any OBG 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 OBG Holders;

This Prospectus is to be read in conjunction with any document incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

Full information on the Issuer, the OBG Guarantor and any Series or Tranche of OBG is only available on the basis of the combination of the Prospectus, any supplements, the relevant Final Terms and the documents incorporated by reference.

Unless otherwise defined in the relevant section of this Prospectus in which they are used, capitalised terms used in this Prospectus shall have the meaning ascribed to them in the section headed "*Terms and Conditions of the OBG*" below. For ease of reference, the section headed "*Index of Defined Terms*" below indicates the page of this Prospectus on which each capitalised term is defined.

None of the Dealers or the Sole Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Each potential purchaser of OBG should determine for itself the relevance of the information contained in this Prospectus and its purchase of

OBG should be based upon such investigation as it deems necessary. None of the Dealers or the Sole Arranger undertakes to review the financial condition or affairs of the Issuer nor the OBG Guarantor during the life of the arrangements contemplated by this Prospectus or by any supplement nor to advise any investor or potential investor in OBG of any information coming to the attention of any of the Dealers or the Sole Arranger.

This 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 following sources of information, among others, have been used:

(i) Bank of Italy: data used for the Issuer's internal estimate of the market shares for loans and direct deposits held in Italy; data on the Italian banking market, in particular the number of active bank branches and financial promoters;

(ii) Italian association of asset managers (*Assogestioni - Associazione del Risparmio Gestito*): data used for the Issuer's internal estimates of market shares in mutual funds in Italy; and

(iii) Italian Banking Association (*ABI - Associazione Bancaria Italiana*): data used for the Issuer's internal estimates of market shares in direct deposits in Italy.

Commercial publications generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed, and that the calculations contained therein are based on a series of assumptions. External data has not been independently verified by the Responsible Persons.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the OBG and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the OBG Guarantor or any of the Dealer(s) or the Sole Arranger (as defined in "General Description of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the OBG Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the OBG Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or 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.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any OBG shall in any circumstances imply that the information contained herein concerning the Issuer and the OBG Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer(s) and the Representative of the OBG Holders expressly do not undertake to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the Programme or to advise any investor in the OBG of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any OBG.

Neither this 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 Sole Arranger, the OBG Guarantor or the Dealer(s) that any recipient of this Prospectus or any other financial statements should purchase the OBG. Each potential purchaser of OBG should determine for itself the relevance of the information contained in this Prospectus and its purchase of OBG should be based upon such investigation as it deems necessary. None of the Dealer(s) or the Sole Arranger undertakes to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the OBG of any information coming to the attention of any of the Dealer(s) or the Sole Arranger.

The distribution of this Prospectus and the offering or sale of the OBG in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the OBG Guarantor, the Dealer(s) and the Sole Arranger to inform themselves about and to observe any such restriction.

The OBG have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and include OBG in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, OBG may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder). For a description of certain restrictions on offers and sales of OBG and on distribution of this Prospectus, see "*Subscription and sale*" below.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the OBG Guarantor or the Dealer(s) to subscribe for, or purchase, any OBG.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any OBG in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale

of OBG may be restricted by law in certain jurisdictions. The Issuer, the OBG Guarantor, the Dealers, the Sole Arranger and the Representative of the OBG Holders do not represent that this Prospectus may be lawfully distributed, or that any OBG may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the OBG Guarantor, the Dealers, the Sole Arranger or the Representative of the OBG Holders which is intended to permit a public offering of any OBG outside Luxembourg or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no OBG may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any OBG may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of OBG. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of OBG in the United States, Japan and the European Economic Area (including the United Kingdom and the Republic of Italy). See also "*Subscription and Sale*", below.

Each initial and each subsequent purchaser of an OBG will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Prospectus and in any Final Terms and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See "*Subscription and sale*", below.

In connection with the issue of any Series or Tranche under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot the relevant Series or Tranche or effect transactions with a view to supporting the market price of the relevant Series or Tranche 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 OBG of the relevant Series or 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 Series or Tranche and 60 days after the date of the allotment of the relevant Series or 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.

All references in this Prospectus to: (i) "**Euro**", "**€**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended; (ii) "**U.S.$**" or "**U.S. Dollar**" are to the currency of the Unites States of America; (iii) "**£**" or "**UK Sterling**" are to the currency of the United Kingdom; (iv) "**Italy**" are to the Republic of Italy; (v) laws and regulations are, unless otherwise specified, to the laws and regulations of Italy; and (vi) "**billions**" are to thousands of millions.

Certain monetary amounts and currency translations included in this 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 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 Sole 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 Sole Arranger or for providing advice in relation to the issue of the OBG.

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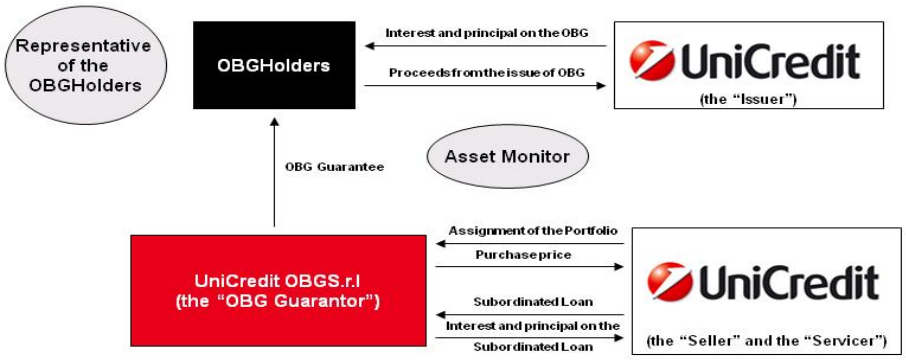

RISK FACTORS

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

In addition, factors which the Issuer and the OBG Guarantor believe may be material for the purpose of assessing the market risks associated with OBG issued under the Programme are also described below.

Each of the Issuer and the OBG Guarantor believes that the factors described below represent the principal risks inherent in investing in the OBG issued under the Programme, but the inability of the Issuer or the OBG Guarantor to pay interest, principal or other amounts on or in connection with any OBG may occur for other reasons and neither the Issuer nor the OBG Guarantor represents that the statements below regarding the risks of holding any OBG are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the Prospectus (including any document incorporated by reference) and reach their own views prior to making any investment decision.

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

Risks concerning liquidity which could affect the Group's ability to meet its financial obligations as they fall due

The UniCredit Group is subject to liquidity risk, i.e., the risk that it will be unable to meet its obligations, including funding commitments and deposit withdrawals, as they fall due. In this context, the procurement of liquidity for business activities and the ability to access long-term financing are necessary to enable the Group to meet its payment obligations in cash, scheduled or unscheduled, and avoid prejudice to its current activities and financial situation.

The global financial crisis and resulting financial instability have significantly reduced the levels and availability of liquidity and term funding. In particular, the perception of counterparty credit risk between banks has increased significantly, resulting in further reductions in interbank lending and the level of confidence from banks' customers, together with pressures on bond markets as a result of speculation. In addition, the Group's access to liquidity could be further prejudiced through its inability to access bond markets, issue securities or secure other forms of wholesale funding. In this context, the Group has announced, as part of its 2010-2015 Strategic Plan, its intention to decrease the proportion of wholesale funding in favour of retail funding. Therefore, reduced customer confidence could result in the Group's difficulty in accessing retail

funding and to increased deposit outflows, which in turn could further limit the Group's ability to fund its operations and meet its minimum liquidity requirements. Furthermore, the differing tax treatment of securities issued by UniCredit and those issued by the Italian Government has resulted in the securities issued by UniCredit being comparatively less favourable to investors, which could lead to higher funding costs. Therefore, further increases in the cost of interbank funding, reductions in the availability of such funding, increases in the costs of, together with decreases in the availability of, similar or other forms of funding and/or the inability of the Group to dispose of its assets or liquidate its investments could affect the Group's business and materially adversely affect its results of operations and financial condition.

UniCredit also borrows from the European Central Bank (the "**ECB**"). Thus, any adverse change to the ECB's lending policy or any changes to the funding requirements set by the ECB, including changes to collateral requirements (particularly those with retroactive effect), could significantly affect the Group's results of operations, business and financial condition.

In addition, supervisory authorities are increasingly monitoring the transfer of liquidity between Group entities – particularly with regard to UniCredit as a holding company – as well as requiring Group subsidiaries to reduce their respective exposures to other Group companies. This increased oversight could affect the Group's ability to support the liquidity requirements of its parent company and subsidiaries through inter-group transfers of capital, which in turn could adversely affect the Group's results of operations, business and financial condition.

The UniCredit Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions

The Group's performance is influenced by the condition of financial markets and the macroeconomic situations of the countries in which it operates. In recent years, the global financial system has been subject to considerable turmoil and uncertainty and, as of the date of this Prospectus, short to medium term expectations of global economic performance remain uncertain. The global financial system began showing signs of disruption in August 2007 and its condition worsened significantly thereafter following the bankruptcies of several major international financial institutions beginning in September 2008. Such continued deterioration has led to significant distortions in global financial markets, including critically low levels of liquidity and of the availability of financing (with consequentially high funding costs), historically high credit spreads, volatile and unstable capital markets and declining asset values. In addition, the international banking system has been imperilled with unprecedented issues, which have led to sharp reductions in and, in some cases, the suspension of interbank lending.

The businesses of many leading commercial banks, investment banks and insurance companies have been particularly subject to significant pressure. Some of these institutions have failed or have become insolvent, have been integrated with other financial institutions, or have required capital injections from governmental authorities,

central banks and/or the International Monetary Fund (the "**IMF**"). These governmental and quasi-governmental institutions have also provided needed capital and liquidity to the global financial system in addition to, in certain cases, requiring and/or participating in the recapitalisation of financial institutions. Additional adverse effects of the global financial crisis include the deterioration of loan portfolios, decreased consumer confidence in financial institutions, high levels of unemployment and a general decline in the demand for financial services.

Furthermore, the general economic decline in the countries in which UniCredit operates has had, and could continue to have, adverse effects on its operations, financing costs, share price and the value of its assets and has led, and could continue to lead, to additional costs relating to such devaluations and decreases in value.

All of the above could be further impacted by any measures taken with respect to the currencies of such countries as well as by political instability in such countries and/or the inability of the governments thereof to take prompt action to confront the financial crisis.

In October 2011, the European Banking Authority ("**EBA**"), in collaboration with other competent authorities, initiated a regulatory capital exercise with respect to 71 banks throughout Europe, including UniCredit. Based on data as at September 30, 2011, UniCredit's capital requirements were estimated at €7,974 million. This capital requirement, based on data as at 30 September 2011, will have to be attained by June 2012.

The European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition

The continued deterioration of the sovereign credit ratings of various countries, including, among others, Greece, Italy, Ireland, Spain and Portugal, together with the potential for contagion to spread to other countries in Europe, mainly France and Germany, has exacerbated the severity of the global financial crisis. Such developments have lead to credible doubts being raised over the stability and status quo of the European Monetary Union.

After monitoring the Italian economy, Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., downgraded Italy's sovereign credit rating to A in September 2011, while Moody's Investors Service and Fitch downgraded Italy's sovereign credit rating to A2 and A+, respectively, in October 2011. The opinions of the rating agencies were heavily influenced by various factors, including Italy's currently low growth prospects and its prolonged delay in adopting and implementing the structural reforms and austerity measures demanded by various international bodies.

After the Italian parliament approved a series of austerity measures in November 2011, then Prime Minister Berlusconi resigned and the Italian President, Giorgio Napolitano, appointed former EU commissioner Mario Monti as acting Prime Minister to head a largely technocratic cabinet aimed at, among other things, implementing the approved

austerity measures, addressing economic stagnation, reducing credit spreads and refinancing Italy's mounting debt. In December 2011, the Italian government adopted the "Save Italy" measures relating to, among other things, economic growth, the equal treatment of Italian citizens and the consolidation of Italy's public accounts, which became law on 22 December 2011.

On 5 December 2011, Standard & Poor's placed Italy and 14 other countries in the Euro-Zone, including France and Germany, under credit watch negative amid rising concern over the capacity of those countries to manage their sovereign debt, as a consequence of the continued deterioration of the political, financial and monetary environment throughout the Eurozone. On 16 December 2011, Fitch placed Italy on "Rating Watch Negative". Subsequently, on 13 January 2012, among other Euro-zone sovereign downgrades, Standard & Poor's lowered Italy's long-term rating to BBB+ with negative outlook, citing their assessment that the policy initiatives taken by European policymakers in previous weeks may be insufficient to fully address ongoing systemic stresses in the Eurozone.

Any further deterioration of the Italian economy would have a material adverse effect on the Group's business, in light of the Group's significant exposure to the Italian economy. In addition, if any of the countries in which the Group operates enter recession again, the Group's results of operations, business and financial condition would be materially and adversely affected.

Furthermore, the increasing risk that other Eurozone countries will become subject to rising borrowing costs and will therefore have to confront the economic crisis in a manner similar to Italy, Greece, Spain and Portugal, together with the risk that member countries, even small countries in terms of Gross Domestic Product ("**GDP**"), will exit the European Monetary Union (voluntarily or involuntarily), would likely have an adverse effect on the Group's business across Europe, as well as the impact of such events on Europe and the global financial system could be severe.

In an effort to reduce such unrest and avoid further acceleration of the crisis, the European Central Bank and the International Monetary Fund ("**IMF**") allocated €440 billion to the European Financial Stability Facility ("**EFSF**") to assist ailing European economies and to avoid the crisis from spreading throughout the Eurozone. In the Autumn of 2011, European leaders discussed additional austerity measures, including, among others, a substantial increase of the EFSF and a plan to restructure Greek sovereign debt. Furthermore, some countries have adopted, and may adopt in the future, restrictive fiscal policies, which have impacted, or could impact, disposable incomes and corporate profits and the Group's results of operations, business and financial condition.

Despite the various measures taken at the European level to manage the accelerating European sovereign debt crisis, including most recently the ECB having lent approximately €500 billion in low cost, three year loans to more than 500 banks across the region as part of a single liquidity operation to help ease liquidity constraints, high levels of volatility and uncertainty persist in markets worldwide. This is in part due to

the lack of agreement among the leading European governments on the appropriate use of the EFSF and other financial levers to support ailing Eurozone economies. Any further acceleration of the European sovereign debt crisis would likely significantly impact, among other things, the recoverability and quality of the sovereign debt securities held by the Group as well as the financial resources of the Group's clients holding similar securities. The occurrence of any of the above events could have a material adverse effect on the Group's results of operations, business and financial condition.

Furthermore, concerns over the European sovereign debt crisis could lead to the reintroduction of one or more Eurozone countries' national currencies. In a worst case scenario, the same concerns could result in the Euro being abandoned altogether. The occurrence of either of the above scenarios could adversely affect certain contractual relationships to which the Group is a party, both in terms of the Group's ability to satisfy its obligations to counterparties and in terms of counterparties' abilities to satisfy their obligations to the Group, which would materially adversely affect the Group's results of operations, business and financial condition.

With regard to Greece, any worsening of its socio-economic and political situation and any voluntary participation of UniCredit in the restructuring of Greece's debt (e.g., through maturity extensions or discounts to nominal value) may negatively impact the Group's profitability, leading to even more significant losses than those considered at 30 September 2011.

In addition, should the ECB suspend, or revise the methods for making, its open market purchases of the sovereign debt securities of European countries and/or should the ongoing initiatives of supranational institutions aimed at resolving the European sovereign debt crisis ultimately fail, the value of sovereign debt securities could be negatively impacted and the Group's results of operations, business and financial condition could be adversely affected.

The Group has significant exposure to European sovereign debt

In carrying out its activities, the Group has significant financial exposure to the major European countries and municipal corporations of those countries, as well as to other countries outside the Eurozone (so-called "sovereign exposure"). As at 30 September 2011, the book value of UniCredit's sovereign debt exposure amounted to €89,430 million (nominal value of €89,786 million; fair value of €89,129 million), 91 per cent. of which was concentrated in seven countries in the Euro-Zone: Italy, Germany, Poland, Turkey, Austria, Spain, and the Czech Republic. The remaining 9 per cent. of UniCredit's sovereign debt exposure is divided between 43 countries, including the United States, Ireland, Portugal and Greece. As at 30 September 2011, sovereign debt securities belonging to the Group's banking book equalled €74,806 million.

In addition to UniCredit's exposure to sovereign debt securities, the Group is also exposed to sovereign debt through loans made to central and local governments and other governmental bodies. With reference to the loans described above, as at 30

September 2011, €10,196 million were made to the German state, €8,181 million were made to the Italian state and €5,424 million were made to the Austrian state.

Furthermore, any future downgrades to the credit ratings of the countries referred to above could result in UniCredit having to revise the weighting criteria it uses for calculating risk weighted assets ("**RWAs**"), which could adversely affect UniCredit's capital ratios.

Thus, any negative developments in the Group's "sovereign exposure" could adversely affect its results of operations, business and financial condition.

Financial regulators have requested that UniCredit Group companies reduce their credit exposure to other UniCredit Group entities, particularly their upstream exposure to UniCredit, which could have a material adverse effect on the way in which the UniCredit Group funds its operations and provides liquidity to members of the Group.

In common with other multi-jurisdictional banking groups, the Group companies have historically provided funding to other members of the Group, resulting in the transfer of excess cash liquidity from one member of the Group to another. Currently, one of the largest such outstanding exposures is from UniCredit Bank AG ("**UCB AG**") to UniCredit, although UCB AG also has exposures to other Group companies. In addition, as the UniCredit Group's investment banking activities are centralised within UCB AG, significant non-cash intra-group credit exposures exist on a day-to-day basis between UCB AG and other Group companies resulting from, among other things, UCB AG acting as an intermediary between such Group companies, on the one hand, and external counterparties, on the other hand, in connection with various financial risk hedging transactions. Due to the nature of this business, the intra-group credit exposure of UCB AG is volatile and can change significantly on a daily basis.

As a result of the ongoing global financial crisis, banking regulators in many of the jurisdictions in which the Group operates have sought, and continue to seek, to reduce the exposure of banks operating within their jurisdictions to other affiliated banks operating in jurisdictions over which they have no legal and/or regulatory control. This could have a material adverse effect on the way in which the Group funds its operations and provides liquidity to other Group companies.

Furthermore, under applicable German regulations, credit institutions may be exempted from including intra-group exposures in their overall limit for large exposures if certain conditions are met. UCB AG relies on this exemption with respect to the intra-group exposures described above. If such exemption is no longer available due to changes in applicable regulations or otherwise, UCB AG could have to either reduce or balance its risk-weighted assets by allocating additional qualifying regulatory capital to remain in compliance with its statutory minimum solvency ratio, as well as the higher ratio it has agreed with the German Federal Financial Supervisory Authority ("**BaFin**") to maintain.

In Germany, as a result of the level of UCB AG's intra-group cash and non-cash exposures and consequent discussions between UniCredit, UCB AG and BaFin,

UniCredit and UCB AG have undertaken to reduce UCB AG's net intra-group exposure to the UniCredit Group, including through the use of collateral, based on ongoing discussions with BaFin and the Bank of Italy.

The implementation of the measures described above, the inability of the Group to provide additional collateral to support these arrangements were it required to do so, a request by BaFin to further reduce UCB AG's intra-group exposure because of a perceived or actual deterioration in the credit outlook of its counterparties or any other reason could have a material adverse effect on the Group's liquidity and the liquidity of certain of its subsidiaries. Any of these events could have a material adverse effect on the way the Group funds itself internally, on the cost of such funding (particularly if it must be obtained externally) as well as on the results of operations, business and financial condition of UniCredit and the Group.

Systemic risk could adversely affect the Group's business

In light of the relative shortage of liquidity and relatively high funding costs that have prevailed in the interbank lending market since the onset of the global financial crisis, the Group is exposed to the risk that the financial viability (actual or perceived) of the financial institutions with whom, and of the countries in which, it carries out its activities could deteriorate. The Group routinely executes a high volume of transactions with numerous counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks and other institutional clients. Financial services institutions that transact with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships; concerns about the stability of any one or more of these institutions or the countries in which they operate could lead to significant constraints on the availability of liquidity (including completely frozen interbank funding markets), losses or other institutional failures. In addition, should one of the counterparties of a certain financial institution suffer losses due to the actual or perceived threat of default of a sovereign country, that counterparty may be unable to satisfy its obligations to the above financial institution. The above risks, commonly referred to as "systemic" risks, could adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with whom the Group interacts on a daily basis, which in turn could adversely affect the Group's ability to raise new funding. The occurrence of any "systemic" risks could adversely affect the Group's results of operations, business and financial condition.

In addition, in each of the countries in which the Group operates, it could be required to participate in deposit guarantee and investor protection schemes. As a result, the insolvency of one or more of the participants in these schemes could result in UniCredit's, or one of its banking subsidiaries', obligation to settle guaranteed customer claims against such insolvent participant(s) or to pay increased or additional contributions, which could materially adversely affect the Group's results of operations, business and financial condition.

Risks connected to an economic slowdown and volatility of the financial markets – credit risk

The banking and financial services market in which the Group operates is affected by unpredictable factors, including overall economic developments, fiscal and monetary policies, liquidity and expectations within capital markets and consumers' behaviour in terms of investment and saving. In particular, the demand for financial products in traditional lending operations could lessen during periods of economic downturn. Overall economic development can furthermore negatively impact the solvency of mortgage debtors and other borrowers of UniCredit and the Group such as to affect their overall financial condition. Such developments could negatively affect the recovery of loans and amounts due by counterparties of the Group companies, which, together with an increase in the level of insolvent clients compared to outstanding loans and obligations, will have an impact on the levels of credit risk.

The Group is exposed to potential losses linked to such credit risk, in connection with the granting of financing, commitments, credit letters, derivative instruments, currency transactions and other kinds of transactions. This credit risk derives from the potential inability or refusal by customers to honour their contractual obligations under these transactions and the Group's consequent exposure to the risk that receivables from third parties owing money, securities or other assets to it will not be collected when due and must be written off (in whole or in part) due to the deterioration of such third parties' respective financial standing (counterparty risk). This risk is present in both the traditional on-balance sheet uncollateralised and collateralised lending business and off-balance sheet business, for example when extending credit by means of a bank guarantee. Credit risks have historically been aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults. As part of their respective businesses, entities of the Group operate in countries with a generally higher country risk profile than in their respective home markets (emerging markets). Entities of the Group hold assets located in such countries. The Group's future earnings could also be adversely affected by depressed asset valuations resulting from a deterioration in market conditions in any of the markets in which the Group companies operate. The above factors could also have a significant impact in terms of capital market volatility. As a result, volumes, revenues and net profits in banking and financial services business could vary significantly over time.

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

In addition, protracted or steep declines in the stock or bond markets in Italy and elsewhere may have an adverse impact on the Group's investment banking, securities trading and brokerage activities, the Group's asset management and private banking services, as well as the Group's investments in and sales of products linked to financial assets performance.

Special Purpose Entities (SPEs) governance and monitoring

Many of the Group Special Purpose Entities, including sponsored conduits that issued securities to finance the acquisition of their respective portfolios, have been included in the Group's consolidated accounts since the 2007 financial year. In particular, the following vehicles are included in the Group's consolidation: Bavaria Universal Funding Corp. (BUFCO), Salome Funding pic EMI 410165, Arabella Finance Limited (conduits sponsored by UniCredit Bank AG), Altus Alpha Pic, Elektra Purchase No. 1 Ltd, Elektra Purchase No. 18 Ltd, Grand Central Funding Corp., Redstone Mortgages Pic, Trans Value (SFCGScudetto) and a further 11 vehicles operating with underlying U.S. municipal and local government bonds (Tender Option Bond Programme). The total balance sheet exposure in relation to these vehicles as at 31 December 2010 was €5,982.4 million.

During the past year, in order to enhance the governance, the assessment and the monitoring of the Group SPEs, a series of Group processes (including new Group Governance Guidelines and Risk Management Policy) have been established, and the analysis of SPEs has been strengthened with the involvement of business, accounting, capital management and risk management functions. As a result, all relevant risks embedded in the SPEs' activities (including credit, market and liquidity risk) are well captured by Group processes, and are measured and monitored together with the reference risk which is directly assumed in the Group balance sheet (for example, the SPE credit risk is fully recognised and measured together with the Group portfolio credit risk).

Notwithstanding the strengthening of the governance and monitoring of SPEs described above, there can be no assurance that this will suffice to keep the Group's assessment and exposure to the credit, market and liquidity risks inherent in the activities of the SPEs at acceptable levels. Any deterioration in the performance of the SPEs' respective portfolios could have a negative impact on the Group's financial condition or results of operations.

Deteriorating asset valuations resulting from poor market conditions may adversely affect the Group's future earnings

The global economic slowdown and economic crisis in certain countries of the Euro-zone have exerted, and may continue to exert, downward pressure on asset prices, which has an impact on the credit quality of the Group's customers and counterparties. This may cause the Group to incur losses or to experience reductions in business activity, increases in non-performing loans, decreased asset values, additional write-downs and

impairment charges, resulting in significant changes in the fair values of the Group's exposures.

A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, ships, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets, it is highly exposed to developments in real estate markets.

Continued decline in the general economy of the countries in which the Group operates, or a general deterioration of economic conditions in any industries in which its borrowers operate or in other markets in which the collateral is located, may result in decreases in the value of collateral securing the loans to levels below the outstanding principal balance on such loans. A decline in the value of collateral securing these loans or the inability to obtain additional collateral may require the Group to reclassify the relevant loans, establish additional provisions for loan losses and increase reserve requirements. In addition, a failure to recover the expected value of collateral in the case of foreclosure may expose the Group to losses which could have a material adverse effect on its business, financial condition and results of operations. Moreover, an increase in financial market volatility or adverse changes in the liquidity of its assets could impair the Group's ability to value certain of its assets and exposures or result in significant changes in the fair values of these assets and exposures, which may be materially different from the current or estimated fair value. Any of these factors could require the Group to recognise write-downs or realise impairment charges, any of which may adversely affect its financial condition and results of operations.

The economic conditions of the geographic markets in which the Group operates have had, and may continue to have, adverse effects on the Group's results of operations, business and financial condition

While the Group operates in many countries, Italy is the primary country in which it operates. Thus, the Group's business is particularly linked to the macroeconomic situation existing in Italy and could be materially adversely affected by any changes thereto, particularly with regard to recoverability of loans. Recently, economic forecasts have suggested considerable uncertainty over the future growth of the Italian economy.

In addition to other factors that may arise in the future, declining or stagnating Italian GDP, rising unemployment and unfavourable conditions in the financial and capital markets in Italy could result in declining consumer confidence and investment in the Italian financial system, increases in the number of impaired loans and/or loan defaults, leading to an overall reduction in demand for the products and services offered by the Group.

Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Italy compared with other Organisation for Economic Co-operation and Development ("**OECD**") countries could materially adversely affect the Group's results of operations, business and financial condition.

The Group also has significant operations in several Central and Eastern European ("**CEE**") countries, including Poland, Ukraine, Kazakhstan and Russia. Within the CEE countries, the risks and uncertainties to which the UniCredit Group is exposed differ in nature and intensity, and a CEE country's membership in the European Union, or lack thereof, is only one of the key distinguishing factors that must be considered in assessing such risks and uncertainties. In addition, CEE countries, as a whole, however, have historically been characterised by highly volatile capital markets and exchange rates, a certain degree of political, economic and financial instability, and, in several cases, less developed political, financial and judicial systems.

Although the global financial crisis has exacerbated certain of these risks and uncertainties in those CEE countries in which the Group operates, the economies of some CEE countries have shown signs of recovery, albeit at varying levels of significance. Nevertheless, the timing of eventual economic recovery in each of the CEE countries remains uncertain and subject to, among others, developments in Western European economies and the global economy as a whole. Thus, any worsening of the European sovereign debt crisis or any unexpected downturns in the economies of major European Union countries or other developed or industrialised countries could slow or stall economic recovery in the CEE countries.

In recent years, with the aim of managing the effects of the global financial crisis, the Group recapitalised certain of its subsidiaries in several CEE countries, including some of those in Ukraine and Kazakhstan. In addition, the Group recognised impairments to the goodwill related to the above subsidiaries in 2010. During the third quarter of 2011, the residual goodwill related to these subsidiaries was fully written-off.

Nevertheless, given the presently unfavourable economic conditions and more restrictive regulations than those prevailing at the international level, the Group may need to continue strengthening the equity of and/or transfer an increasing amount of funds to its subsidiaries located in CEE countries, particularly those located outside the European Union, or risk being exposed to, among other things, regulatory or legal initiatives of local authorities in CEE countries. An increase in loan impairments could be necessary in connection with levels of credit risk estimated by the Group. Furthermore, unfavourable developments in the growth rates of CEE countries compared to historical levels, together with the uncertainties surrounding Western European economies, could adversely affect the Group's achievement of its strategic goals.

Non-traditional banking activities expose the Group to additional credit risks

In addition to traditional banking activities such as lending and deposit-taking, the Group carries out non-traditional banking activities, which may expose the Group to additional credit and/or counterparty risk. Such additional risk may originate, for example, from: executing securities, futures, currency or commodity trades that fail to settle timely due to non-delivery by the counterparty or to system failures by clearing agents, exchanges, clearing houses or other financial intermediaries (including the

Group); owning securities of third parties; and extending credit through other arrangements.

Parties to these transactions, such as trading counterparties or counterparties issuing securities held by entities of the Group, may default on their obligations due to insolvency, political and economic events, lack of liquidity, operational failure or other reasons. Defaults by counterparties with respect to a significant number of transactions or one or more transactions that involve significant volumes would have a material adverse effect on the Group's results of operations, business and financial condition.

The Group has made a series of significant investments in other companies, including those resulting from the conversion of debt into equity in the context of restructuring processes. Any losses or risks, operational or financial, to which the invested companies may be exposed may restrict the Group's ability to dispose of the above mentioned investments, and may cause considerable reductions in their value, with possible adverse effects to the Group's results of operations, business and financial condition.

In addition, the Group, as a result of executing guarantees and/or signing agreements to restructure debt, holds, and could acquire in the future, control or minority stakes in companies operating in industries other than those in which the Group currently operates, including, for example, real estate, oil, transport and consumer goods. These industries require specific skills in terms of knowledge and management that are not among those skills currently held by the Group. Nevertheless, in the course of any disposals, the Group may have to deal with such companies. This exposes the Group to the risks inherent in the activities of an individual company or subsidiary and to the risks arising from the inefficient management of such shareholdings, which could have adverse effects on the Group's results of operations, business and financial condition.

The Group's risk management policies could leave the Group exposed to unidentified or unanticipated risks

Banks belonging to the Group are subject to the risks inherent to banking and financial activities. The Group has structures, processes and human resources aimed at developing risk management policies, procedures and assessment methods for its activities in line with best market practices in the industry.

The Group's Risk Management Division provides strategic direction and defines the risk management policies implemented, locally, by the Group's risk management entities. Some of the methods used to monitor and manage these risks involve observations of historic market conditions and the use of statistical models for identifying, monitoring, controlling and managing risk.

However, these methods and strategies may be inadequate for the monitoring and management of certain risks, such as the risks attached to financial products that are traded on unregulated markets (e.g., OTC derivatives), and, as a result, the Group could suffer greater losses than those contemplated by the methods or suffer losses not previously considered.

In addition, the occurrence of unforeseeable events, which have not been considered by the Risk Management Division and which may affect the performance of the markets in which the Group operates, could adversely affect the Group's results of operations, business and financial condition. These risks, and their effects, may be further aggravated by the complexities of integrating risk management policies into the Group's acquired entities.

At the date of this Prospectus, some of the relevant supervisory authorities are carrying out procedures to validate internal risk measurements that will be used for regulatory purposes by UniCredit and other companies belonging to the Group. These procedures apply to models awaiting initial authorisation as well as models already approved, but for which the Group must demonstrate its maintenance of regulatory requirements.

In order to ensure the integrity and accuracy of the above measurement and risk management models, the Group employs a governance policy that is consistent with current applicable regulations in each of the markets in which it operates (for example, Bank of Italy, Circular No. 263 of 27 December 2006) as well as with international best practices.

Despite the adoption of these models, it is possible that, after investigation or verification by the supervisory authorities, the Group's internal models will no longer be adequate, which could adversely affect the Group, particularly with respect to its calculation of capital requirements.

Various regulators that exercise oversight of UCB AG's operations, including the German Central Bank, BaFin and the FSA, have conducted audits and/or reviews of UCB AG's risk management and internal control systems, and highlighted concerns (which were also the subject of additional internal and external UCB AG audits) about the extent to which such systems are fully compliant with applicable legal and regulatory requirements in Germany. As a result of discussions with BaFin regarding these matters, and after informing the Bank of Italy, UniCredit and UCB AG have undertaken to maintain within UCB AG a minimum solvency ratio that exceeds the statutory minimum required in order to address BaFin's concern that there be sufficient capital within UCB AG to absorb any losses that could result from shortcomings in its risk management policies, until such shortcomings are addressed to BaFin's satisfaction. Progress on actions undertaken have been, and will continue to be, regularly reported by UCB AG to both UniCredit and to the relevant regulators, including the Bank of Italy and BaFin.

Nevertheless, even if UCB AG's plans, system improvements and robust monitoring process are acknowledged by BaFin, there can be no assurance that the actions taken, and planned to be taken, by UCB AG will be fully satisfactory to BaFin or the other regulators that have oversight of these matters. While UCB AG is in the process of addressing all the material concerns raised, there is a risk that BaFin and other regulators could take additional measures against UCB AG and its management, including issuing fines, imposing limitations on the conduct, outsourcing or the expansion of certain

business activities, or seeking to require UCB AG to maintain a higher regulatory capital buffer.

Fluctuations in interest and exchange rates may affect the Group's results

Fluctuations in interest rates in Europe and in the other markets in which the Group operates may influence the Group's performance. The results of the Group's banking operations are affected, inter alia, by the Group's management of interest rate sensitivity. 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 Group's financial condition and results of operations.

Rising interest rates along the yield curve can increase the cost of the Group's borrowed funds faster and at a higher rate than the yield on its assets, due to, for example, 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 Group's assets at a rate which may not correspond to the decrease in the cost of funding.

Furthermore, a significant portion of the Group's operations are conducted in currencies other than the Euro, principally the Polish Zloty, the Turkish Lira, the U.S. dollar, the Swiss Franc and the Japanese Yen. Unfavourable movements in foreign exchange rates could, therefore, significantly influence the Group's results of operations, business, financial condition and prospects. As a result, the Group is exposed to foreign currency exchange rates and foreign currency transaction risks.

The Group's consolidated financial statements (including its interim financial statements) are prepared in Euro and carry out the necessary currency translations in accordance with applicable international accounting standards.

The Group employs a hedging policy with respect to the profits and dividends of its subsidiaries operating outside the Euro-Zone. The Group takes prevailing market conditions into account in implementing its hedging policy. Any negative change in exchange rates and/or a hedging policy that is ineffective at covering risk could significantly adversely affect the Group's results of operations, business and financial condition.

Changes in the Italian and European regulatory framework could adversely affect the Group's business

The Group is subject to extensive regulation and supervision in all jurisdictions in which it operates, including by the Bank of Italy, BaFin, PFSA, FMA, the ECB, the EBA and the ESCB. The rules applicable to banks and funds are aimed at preserving the stability and solidity of banks and limiting their risk exposure. The Group is also subject to regulations applicable to financial services that govern, among other things, the sale,

placement and marketing of financial instruments as well as to those applicable to its bank-assurance activities. In particular, the Group is subject to the supervision of CONSOB, the Institute for the Supervision of Private Insurance and the FMA. The Issuer is also subject to the rules applicable to it as an issuer of shares listed on the Milan, Frankfurt and Warsaw Stock Exchanges.

The supervisory authorities mentioned above govern various aspects of the Group, which may include, among other things, liquidity levels and capital adequacy, the prevention and combating of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, the Group has in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group's results of operations, business and financial condition. The above risks are compounded by the fact that, as at the date of this Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

In particular, in the wake of the global financial crisis that began in 2008, the Basel Committee approved, in the fourth quarter of 2010, revised global regulatory standards on bank capital adequacy and liquidity, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards (the so-called Basel III). The Basel III framework adopts a gradual approach, with the requirements to be implemented over the period from 1 January 2013 to 31 December 2019 (some of the new requirements which are still in the course of being defined will have to be adopted by individual member states).

Between the end of 2010 and the beginning of 2011, the Bank of Italy issued a series of measures which amended the New Provisions of Prudential Supervision of Banks for the purposes of implementing the CRD II Directives which may require the Group, after a transitional period, to replace its financial instruments no longer computable for such purposes. In November 2010, the CRD III Directive was issued and included additional capital requirements relating to the trading portfolio and repackaging securitisations as well as a review of the remuneration policies.

On 20 July 2011, the European Commission published a legislative proposal to implement the Basel III rules at the European level. The proposal is currently being analysed by the European Parliament and European Council for final approval over the course of 2012. During this phase of review, the proposal of the European Commission may be modified, by, for example, including more stringent capital and liquidity requirements.

The impact of these regulations could, therefore, have an adverse effect on the Group's results of operations, business and financial condition.

In addition, UniCredit was included in the list of financial institutions of global systemic importance published on 4 November 2011 by the Financial Stability Board. The banks included in that list, which will be updated annually, will be subject to increased oversight and will be required, in consultation with supervisory authorities, to prepare (by 2012) resolution and recovery plans to prevent the risk of the bank's failure from driving systemic risk. The banks will also be required to, among other things, maintain the capacity to absorb additional losses through a capital buffer comprised of common equity. In addition, on 21 November 2011, the FMA and OeNB issued a press release stating that they will be introducing new prudential regulations to strengthen the business models of Austrian banks operating in Central, Eastern and Southeastern European countries ("**CESEE**") and to improve CESEE subsidiary banks' refinancing options. The regulations are expected to be published in the first quarter of 2012.

The various requirements may affect the activities of the Group, including its ability to grant funding, or result in the need for further capital injections in order to meet capital requirements as well as require other sources of funding to satisfy liquidity requirements, which could result in adverse effects to the Group's results of operations, business, assets, cash flows and financial condition, the products and services offered by the Group as well as the Group's ability to pay dividends.

In addition, consistent with the exercise carried out by the Committee of European Banking Supervisors ("**CEBS**") in 2010, the European Banking Authority in 2011 commenced a stress test over a sample of 90 European banks. The Group passed the stress test. Furthermore, in October 2011, the EBA in collaboration with other competent authorities, initiated a regulatory capital exercise with respect to 71 banks throughout Europe, including UniCredit. Based on 30 September 2011 data, UniCredit's capital requirements were estimated at €7,974 million (compared to the estimated €7,379 million calculated in October 2011, which was based on figures as at 30 June 2011). The increase is due mainly to (i) the fact that the October exercise took into account the evaluation of sovereign debt securities held by the Group as at 30 June 2011 and (ii) the fact that the October exercise did not take into account the Group's economic results for the quarter ended 30 September 2011.

This capital requirement based on data as at 30 September 2011, will have to be attained by June 2012. UniCredit will present to the Bank of Italy its plan to achieve a Core Tier 1 Ratio of 9 per cent. by the required deadline. Although the UniCredit Group believes that it has already identified measures deemed sufficient to satisfy this revised capital requirement, should those measures prove insufficient or ineffective, based on the recommendations of the EBA, the Group may have to seek capital from the private sector, through the intervention of Governments or, as a last resort, from the EFSF.

Due to the uncertainties connected with the above laws and regulations, there can be no assurance that their application will not have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on the products and services offered by the Group. In carrying out its activities, the Group is subject to numerous regulations of general application such as those concerning

taxation, social security, pensions, occupational safety and privacy. Any changes to the above laws and regulations and/or changes in their interpretation and/or their application by the supervisory authorities could adversely affect the Group's results of operations, business and financial condition.

In addition, the Group follows international accounting standards in preparing its financial statements and interim financial statements. Due to the fact that some of these accounting standards are in the process of being amended and the fact that applications have been made to introduce new standards, the Group may need to restate figures in its financial statements that have already been published for prior financial years and/or periods. Moreover, the Group may also need to revise its accounting treatment of certain transactions and the related income and expense, which could have potentially negative effects on the estimates contained in the Group's financial plans for future years.

In this regard, the Group will take into account the amendments to IFRS 7 and IAS 1 introduced by the IASB in preparing its financial statements for the year ended 31 December 2011. Furthermore, the Group will, in the future, have to take into account the amendments to IAS 19 and the new IFRS 10, IFRS 11, IFRS 12 and IFRS 13 standards, which are in the process of being approved by the European Union and will enter into force on 1 January 2013. The new IFRS 9 standard that is currently being prepared to replace IAS 39 will introduce significant changes to the classification, measurement, impairment and hedge accounting of certain instruments. The new IFRS 9 standard is currently expected to enter into force on 1 January 2015, pending final publication and European Union approval.

Operational and IT risks are inherent in the Group's business

The Group's operations are complex and geographically diverse, and require the ability to efficiently and accurately process a large number of transactions while complying with applicable laws and regulations in the countries in which it operates. The Group is exposed to operational risks and losses that can result from, among other things, internal and external fraud, unauthorised activities in the capital markets, inadequate or faulty systems and controls, telecommunications and other equipment failures, data security system failures, errors, omissions or delays of employees, including with respect to the products and services offered, unsuitable Group policies and procedures, including those related to risk management, customer complaints, natural disasters, terrorist attacks, computer viruses and violations of law.

In addition, recent acquisitions and organisational restructuring in Italy, Germany, Austria and Central and Eastern Europe, has led to the integration of the information, internal audit and accounting systems of the companies acquired, some of which were profoundly different from those used by the Group. As of the date of this Prospectus, the Group's commercial banking activities in Italy and Germany are integrated on the EuroSIG platform, which is currently in the process of being implemented in Austria.

While the Group actively employs procedures to contain and mitigate operational risk and related adverse effects, the occurrence of certain unforeseeable events, wholly or

partly out of the Group's control, could substantially limit their effectiveness. As a result, there can be no assurance that the Group will not suffer future material losses due to the inadequacy or failure of the above procedures. The occurrence of one or more of above risks could adversely affect the Group's results of operations, business and financial position.

Although the Group believes that its resources are sufficient, complications and/or unexpected problems have arisen in the past and may arise in the future, which could delay or result in the inability of the Group to successfully integrate the above systems.

Intense competition, especially in the Italian market, where the Group has a substantial part of its businesses, could have a material adverse effect on the Group's results of operations and financial condition

UniCredit and the companies belonging to the UniCredit Group are subject to risks arising from competition in the markets in which they operate, particularly in Italy, Germany, Austria, Poland and the CEE countries.

In particular, the Italian market represents the main market in which the Group operates. As at 31 December 2010, 42 per cent. of the total deposits and 37 per cent. of the operating income of the Group related to the Italian market.

In general, the international banking and financial services industry is extremely competitive. Competitive pressure could increase as a result of regulatory actions, the behaviour of competitors, consumer demand, technological advances, aggregation processes which involve large groups like the UniCredit Group requiring ever larger economies of scale, the entry of new competitors and other factors not entirely within the Group's control. In addition, the aforementioned aggregation processes could intensify if instability in the financial markets persists. A worsening of the macroeconomic situation may also result in increased competitive pressure due to, for example, increased pressure on prices and lower volumes of activity.

In the event that the Group is not able to respond to increasing competitive pressure through, among other things, providing innovative and profitable products and services to meet the needs of customers, the Group could lose market share in the various sectors in which it is active.

In addition, as a result of such competition, the Group may fail to maintain or increase business volumes and profit levels that have been achieved in the past, resulting in adverse effects on the Group's results of operations, business and financial condition.

Ratings

UniCredit is rated by Fitch Italia S.p.A. ("**Fitch**"), by Moody's Italia S.r.l. ("**Moody's**") and by Standard & Poor's Credit Market Services Italy S.r.l. ("**Standard & Poor's**"), each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation

published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation.

In determining the rating assigned to UniCredit, these rating agencies consider and will continue to review various indicators of the Group's performance, UniCredit's profitability and its ability to maintain its consolidated capital ratios within certain target levels. If UniCredit fails to achieve or maintain any or a combination of more than one of the indicators, including if UniCredit is unable to maintain its consolidated capital ratios within certain target levels, this may result in a downgrade of UniCredit's rating by Fitch, Moody's or Standard & Poor's.

Any rating downgrades of UniCredit or other entities of the Group would increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity, all of which could have a material adverse effect on its business, financial condition and results of operations.

Risks in connection with legal proceedings

As at the date of this Prospectus, there are certain legal proceedings pending against UniCredit and other companies belonging to the Group.

In many cases there is significant uncertainty as to the possible outcome of the proceedings and the amount of possible losses. These cases include criminal proceedings and administrative proceedings brought by supervising authorities as well as civil litigation where damages have not been specified (as is the case in the putative class actions in the United States).

To cover liabilities that may arise from pending lawsuits (other than those concerning employment matters, taxes or the recovery of loans), the Group has in place, as at 30 September 2011, a provision for risks and charges of approximately €1.4 billion. An estimated liability is based on information available from time to time, but it is also based on estimates because of the many uncertainties connected to litigation. Therefore, it is possible that provisions may be insufficient to fully deal with the charges, expenses, penalties, damages and other requests relating to pending proceedings, and, therefore the actual costs upon completion of pending proceedings may be significantly higher than previously anticipated. There are also proceedings, some of which have substantial amounts in issue, for which the Group did not consider it necessary to make, or for which the Group was not able to quantify, a provision.

The Group must also comply with various legal and regulatory requirements concerning, among others, conflicts of interest, ethical issues, anti-money laundering, sanctions imposed by the United States or international bodies, privacy rights and information security. In particular, a member of the UniCredit Group is currently responding to a third-party witness subpoena from the New York County District Attorney's Office in connection with an ongoing investigation regarding certain, persons and/or entities believed to have engaged in conduct that violated applicable sanctions promulgated by the US Treasury Department Office of Foreign Assets Control. Failure to comply with

these requirements may lead to additional litigation and/or investigations and may subject the Group to claims for damages, fines, penalties as well as subject it to reputational damage.

The Group is involved in pending tax proceedings

At the date of the Prospectus, there are different tax proceedings pending against UniCredit and other companies belonging to the UniCredit Group.

For example, over the past decade, several Group banks have carried out structured finance transactions, including the "DB Vantage" and "Brontos" transactions. In connection with such structured finance transactions, UniCredit and several Group banks have been audited or investigated by the Italian Tax Police (Guardia di Finanza) and the Prosecutor of Milan. Those audits and investigations presented tax and legal risks to the Group. Several of the above audits resulted in the issuance of tax assessment notices to UniCredit and other Group banks. However, in certain cases, UniCredit settled the tax assessment notice for a lower amount than originally assessed.

There can be no assurance that UniCredit Group will not be subject to an adverse outcome of one or more of the tax proceedings to which it is subject or may be subject in the future. Such an adverse outcome could have a material adverse effect on the Group's results of operations, business and financial condition. In addition, should a member of the Group breach or allegedly breach tax legislation in one or more of the countries in which the Group operates, the Group could be exposed to increased tax risks, which in turn could increase the likelihood of further tax litigation and result in reputational damage.

2. Factors that may affect the OBG Guarantor's ability to fulfil its obligations under or in connection with the OBG issued under the Programme

OBG Guarantor only obliged to pay guaranteed amounts when the same are due for Payment

The OBG Guarantor has no obligation to pay any Guaranteed Amounts payable under the OBG Guarantee until service by the Representative of the OBG Holders on the Issuer and the OBG Guarantor of a Notice to Pay.

A Notice to Pay can only be served by the Representative of the OBG Holders if an Issuer Event of Default has occurred. A Guarantor Acceleration Notice can only be served if a Guarantor Event of Default has occurred.

Following service of a Notice to Pay under the terms of the OBG Guarantee (provided that (a) an Issuer Event of Default has occurred and (b) no Guarantor Acceleration Notice has been served), the OBG Guarantor will be obliged to pay any Guaranteed Amounts as and when the same are due for payment. Such payments will be subject to, and will be made in accordance with, the Post-Issuer Event of Default Priority. In these circumstances, other than the Guaranteed Amounts the OBG Guarantor will not be

obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the OBG.

Extendable obligations under the OBG Guarantee

If the Extended Maturity Date is applicable to a Series (or Tranche) and if the OBG Guarantor is obliged under the OBG Guarantee to pay any Guaranteed Amounts and has insufficient funds available under the relevant priority of payments to pay such amount on the relevant Maturity Date, then the obligation of the OBG Guarantor to pay such Guaranteed Amounts shall automatically be deferred to the relevant Extended Maturity Date. However, to the extent the OBG Guarantor has sufficient moneys available to pay in part the Guaranteed Amounts in respect of the relevant Series or Tranche of OBG, the OBG Guarantor shall make such partial payment in accordance with the relevant Priority of Payments, as described in Condition 8 (Redemption and Purchase) on the relevant Maturity Date and any subsequent 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 OBG Guarantor has failed to apply money in accordance with the relevant Priority of Payments in accordance with Condition 8 (Redemption and Purchase), failure by the OBG Guarantor to pay the relevant Guaranteed Amount on the Maturity Date or any subsequent OBG 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 OBG Guarantor to pay any Guaranteed Amount or the balance thereof, as the case may be, by the relevant Extended Maturity Date and/or pay any other amount due under the OBG Guarantee will (subject to any applicable grace period) constitute a Guarantor Event of Default.

No gross-up for taxes

Notwithstanding anything to the contrary in this 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 OBG Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the OBG Holders, as the case may be, and shall not be obliged to pay any additional amounts to the OBG Holders.

Limited resources available to the OBG Guarantor

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

The OBG Guarantor's ability to meet its obligations under the OBG Guarantee will depend on the realisable value of the Portfolio and of the Eligible Investments (if any),

the amount of principal and revenue proceeds generated by the Portfolio and Eligible Investments (if any) and the timing thereof and amounts received from the Account Bank (as defined below) or in accordance with the Transaction Documents. The OBG Guarantor will not have any other source of funds available to meet its obligations under the OBG Guarantee.

The proceeds of the Portfolio, the Eligible Investments (if any), any amount received from the Account Bank or in accordance with the Transaction Documents may not be sufficient to meet the claims of all the Secured Creditors, including the OBG Holders. 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 Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

OBG Holders should note that the Amortisation Test - which applies further to the occurrence of an Issuer Event of Default - has been structured to ensure that the outstanding nominal amount of the Eligible Portfolio, together with any Eligible Investments (if any), any amount received from the Account Bank or in accordance with the Transaction Documents, shall be higher than or equal to the nominal amount of the outstanding OBG, which should reduce the risk of there ever being a shortfall. In addition the MEF Decree and the BoI OBG Regulations provide for certain mandatory tests aimed at ensuring, *inter alia*, that (a) the net present value of the Portfolio (net of certain costs) shall be higher than or equal to the net present value of the OBG; and (b) the amount of interests and other revenues generated by the Portfolio (net of certain costs) shall be higher than the interests and costs due by the Issuer under the OBG (see "Credit Structure" below for more details on the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test).

However there is no assurance that there will not be any shortfall.

Reliance of the OBG Guarantor on third parties

The OBG Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the OBG Guarantor. In particular, but without limitation, the Servicer has been appointed to service the Portfolio and the Asset Monitor has been appointed to monitor compliance with the Over-Collateralisation Test, the Amortisation Test and the Mandatory Tests. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Portfolio or any part thereof may be affected, or, pending such realisation (if the Portfolio or any part thereof cannot be sold), the ability of the OBG Guarantor to make payments under the OBG Guarantee may be affected. For instance, if the Servicer has failed to adequately administer the Portfolio, this may lead to higher incidences of non-payment.

The ability of the OBG Guarantor to make payments in respect of the OBG, where applicable, will depend upon the due performance by the parties to the Transaction Documents of their respective various obligations under the Transaction Documents to

which they are each a party. In particular, without limitation, the punctual payment of amounts due on the OBG will depend on the ability of the Servicer to service the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. In each case, the performance by the OBG Guarantor of its obligations under the Transaction Documents is also dependent on the solvency of, *inter alios*, the Servicer.

If a Servicer Termination Event (as defined in the Servicing Agreement (defined below)) occurs the OBG Guarantor, upon indication by the Issuer and subject to the approval in writing of the Representative of the OBG Holders, shall appoint another entity which shall be an eligible entity as successor servicer (the "**Successor Servicer**") which shall perform the servicing activities required to be performed by the Servicer, in accordance with the terms of the Intercreditor Agreement and of the Servicing Agreement.

Upon the occurrence of a Servicer Termination Event, the obligors under the Portfolio will be instructed to pay all the amounts due in respect of the Portfolio directly on a bank account opened with a bank residing in an Eligible State in the name of the OBG Guarantor. The Representative of the OBG Holders is not obliged in any circumstances to act as a servicer or to monitor the performance by any servicer of its obligations.

Limited description of the Portfolio

OBG Holders will not receive detailed statistics or information in relation to the Assets in the Portfolio, because it is expected that the constitution of the Portfolio will frequently change due to, for instance:

(i) UniCredit (as Seller and Issuer) or the Additional Seller (if any) selling further Assets (or Assets, which are of a type that have not previously been comprised in the Portfolio to the OBG Guarantor);

(ii) UniCredit (as Seller and Issuer) or the Additional Seller (if any) repurchasing certain Assets in accordance with the Master Transfer Agreement (as defined below); and

(iii) UniCredit (as Seller and Servicer) or the Additional Seller (if any) being granted by the OBG Guarantor with a wide power to renegotiate the terms and conditions of the Assets or further Assets.

However, each Mortgage Receivables or further Mortgage Receivables will be required to meet the Criteria and to conform with the representations and warranties set out in the Warranty and Indemnity Agreement — see "*Description of the Transaction Documents — Warranty and Indemnity Agreement*" below. In addition, the Mandatory Tests and the Over-Collateralisation Test are intended to ensure that the Outstanding Principal Balance of the Eligible Portfolio is higher than or equal to the Outstanding Principal Balance of the OBG for so long as OBG remain outstanding and the Calculation Agent will provide on each relevant Calculation Date a basis reports that will set out certain information in relation to the Mandatory Tests and the Over-Collateralisation Test.

In addition to the above, according to the Master Transfer Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement, (i) UniCredit (as Seller and Issuer) (or the Additional Seller (if any) as the case may be) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders approval, amend the General Criteria and the Specific Criteria (ii) UniCredit (as Seller and Issuer) (or the Additional Sellers (if any) as the case may be) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders, amend certain representations and warranties granted in relation to newly assigned Mortgage Receivables if such amendment are necessary as a consequence of a change in the lending policies of the Seller (or the Additional Seller (if any) as the case may be), (iii) UniCredit (as Seller and Issuer) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders' approval, amend the Specific Criteria and the representation and warranties in relation to the sale of further assets originated by entities belonging to the UniCredit Banking Group other than UniCredit (comprised within the Capitalia Group) and (iv) UniCredit (as Seller and Issuer) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders approval, amend the Master Transfer Agreement and the other relevant Transaction Documents in case of a change in law or new interpretations, amendments or further guidelines issued by the Bank of Italy or any competent regulator, provided that any such above amendment will be subject to notification to the Representative of the OBG Holders.

In accordance with the Portfolio Administration Agreement, any Additional Seller may sell to the OBG Guarantor, and the latter shall purchase, Assets and Integration Assets without the prior consent of the Representative of the OBG Holders or the OBG Holders and, *inter alia*, subject to (i) the written approval by UniCredit in relation to such sale, (ii) the execution of a master transfer agreement by the Additional Seller, substantially in the form of the Master Transfer Agreement (as amended to take into account the characteristics of the Assets or the Integration Assets sold by it) or in such other form as may be agreed amongst the Additional Seller and the OBG Guarantor; (iii) the granting of a subordinated loan by the Additional Seller for the purpose of financing the purchase of Assets or Integration Assets from it in accordance with the provision of a subordinated loan agreement to be executed substantially in the form of the Subordinated Loan Agreement (as defined below).

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

If a Notice to Pay is served on the OBG Guarantor, then the OBG Guarantor shall (if necessary in order to effect timely payments under the OBG, as determined by the Calculation Agent in consultation with the Portfolio Manager) direct the Servicer or the Successor Servicer (if any) to sell Selected Assets (selected on a Random Basis) in accordance with the Portfolio Administration Agreement in order to make payments to the OBG Guarantor's creditors including making payments under the OBG Guarantee, see "*Description of the Transaction Documents — Portfolio 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 OBG Guarantee. However, the Selected Assets may not be sold by the OBG Guarantor for a consideration less than an amount equal to the Adjusted Required Redemption Amount for the Earliest Maturing OBG until six months prior to the Maturity Date in respect of such OBG or (if the same is specified as applicable in the relevant Final Terms) the Extended Maturity Date in respect of such OBG. In the six months prior to, as applicable, the Maturity Date or Extended Maturity Date, the OBG Guarantor is obliged to sell the Selected Assets for the best price reasonably available notwithstanding that such price may be less than the Adjusted Required Redemption Amount.

For the purposes hereof, "**Adjusted Required Redemption Amount**" means an amount equal to the Required Redemption Amount(s) of the Earliest Maturing OBG(s) (including any Series of OBG which mature on the same date as the relevant Series of OBG) less amounts standing to the credit of the Accounts plus all the amounts to be applied on the next following Guarantor Payment Dates (as defined below), and until the Maturity Date (or the Extended Maturity Date if applicable) of the Earliest Maturing OBG, to repay higher or pari passu ranking amounts in the relevant Priority of Payments less the Outstanding Principal Balance of any Eligible Investments (without double counting, for the avoidance of doubt, those already included in the definition of Required Redemption Amount), without double counting of the Securities which have been included among the Selected Assets.

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

If a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served on the OBG Guarantor, then the OBG Guarantor is obliged to sell the Selected Assets in respect of all the Series of OBG and as quickly as reasonably practicable taking into account the market conditions at that time (see "*Description of the Transaction Documents — Portfolio Administration Agreement*" below).

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

Factors that may affect the realisable value of the Portfolio or the ability of the OBG Guarantor to make payments under the OBG Guarantee

Following the occurrence of an Issuer Event of Default, the service of a Notice to Pay on the Issuer and on the OBG Guarantor, the realisable value of Selected Assets comprised in the Portfolio may be reduced (which may affect the ability of the OBG Guarantor to make payments under the OBG Guarantee) by:

(i) default by borrowers of amounts due on their claims;

(ii) changes to the lending criteria of UniCredit (or the Additional Seller (if any) as the case may be);

(iii) set-off risks in relation to some types of Mortgage Receivables in the Portfolio;

(iv) limited recourse to the OBG Guarantor;

(v) possible regulatory changes by the Bank of Italy, Consob and other regulatory authorities;

(vi) regulations in Italy that could lead to some terms of the Mortgage Receivables being unenforceable;

(vii) timing for the relevant sale of Assets; and

(viii) status of the real estate market in the areas where the Issuer operates.

Each of these factors is considered in more detail below. However, it should be noted that the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test are intended to ensure that there will be an adequate amount of Mortgage Receivables in the Portfolio and moneys standing to the credit of the Accounts (including any amount invested in Eligible Investments, if any) to enable the OBG Guarantor to repay the OBG following an Issuer Event of Default and the service of a Notice to Pay on the Issuer and on the OBG Guarantor and accordingly it is expected (although there is no assurance) that Selected Assets could be realised for sufficient values to enable the OBG Guarantor to meet its obligations under the OBG Guarantee.

Value of the Portfolio

The OBG Guarantee granted by the OBG Guarantor in respect of the OBG will be backed by the Portfolio and the recourse against the Guarantor will be limited to such assets. Since the economic value of the Portfolio may increase or decrease, the value of the OBG 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 will remain at the same level as it was on the date of the origination of the related Mortgage Receivable or at any other time. If the residential property market in Italy experiences an overall decline in property values, the value of the Mortgage Receivable could be significantly reduced and, ultimately, may result in losses to the holders of the OBG if such security is required to be enforced.

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

After the service of a Notice to Pay on the Issuer and the OBG Guarantor, but prior to service of a Guarantor Acceleration Notice, the OBG Guarantor shall, if necessary in order to effect timely payments under the OBG, sell (through the Servicer or the Successor Servicer (if any)) the Selected Assets and their related security interests included in the Portfolio, subject to a right of pre-emption of the Seller and of any Additional Seller (if any) pursuant to the terms of the Master Transfer Agreement and of the Portfolio Administration Agreement. In respect of any sale of Selected Assets and

their related security interests to third parties, however, the OBG 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 Seller, any Additional Seller (if any) or the Issuer would give or repeat any warranties or representations in respect of the Selected Assets and related security interests or if it has not consented to the transfer of such warranties or representations. Any representations or warranties previously given by the Seller in respect of the Mortgage Receivables in the Portfolio may not have value for a third party purchaser if the Seller or the relevant Additional Seller (if any) 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 OBG Guarantor to meet its obligations under the OBG Guarantee.

Default by borrowers in paying amounts due on their Assets

Borrowers may default on their obligations due under the Assets for a variety of reasons. The Mortgage Receivables 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 Receivables. Loss of earnings, illness, divorce and other similar factors may lead to an increase in default by and bankruptcies of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Receivables. In addition, the ability of a borrower to sell a property given as security for a Mortgage Receivable at a price sufficient to repay the amounts outstanding under that Mortgage Receivable 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 a Mortgage Receivable classified as a Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable 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 Receivables 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.

Law number 302 of 3 August 1998 permits notaries, accountants and lawyers to conduct certain stages of the enforcement procedures in place of the courts in order to reduce the length of enforcement proceedings by between two and three years.

Changes to the lending criteria of the Seller

Each of the Mortgage Receivables originated by the Seller will have been originated in accordance with its lending criteria at the time of origination. Each of the Mortgage Receivables sold to the OBG Guarantor by the Seller, but originated by a person other than the Seller (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 Seller's or the relevant Originator's, as the case may be, lending criteria will generally consider term of loan, indemnity guarantee policies, status of applicants and credit history. In the event of the sale or transfer of any Mortgage Receivables to the OBG Guarantor, the Seller will warrant that (a) the Mortgage Receivables originated directly by it were originated in accordance with the Seller's lending criteria applicable at the time of origination and (b) the Mortgage Receivables originated by an Originator, were originated in accordance with the relevant Originator's lending criteria applicable at the time of origination. The Seller retains the right to revise its lending criteria from time to time subject to the terms of the Master Transfer 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 Receivables, that may lead to increased defaults by borrowers and may affect the realisable value of the Portfolio and the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Legal risks relating to the Assets

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

Set-off risks

The assignment of receivables under Law 130 is governed by Article 58, paragraph 2, 3 and 4, of the Banking Law (as defined below). According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) 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 (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, the rights of the OBG Guarantor may be subject to the direct rights of the borrowers against the 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 competent companies' register. Some of the Assets in the Portfolio may have increased risks of set-off, because the 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 the proceeds which may be

realised from the sale of the Portfolio and, ultimately, the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Usury Law

Italian Law number 108 of 7 March 1996 (the ("**Usury Law** ") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the ("**Usury Rates** ") set every three months on the basis of a decree issued by the Italian Treasury (the last such Decree having been issued on 20 December 2011). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In certain judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. Although the Italian Government subsequently intervened by enacting a decree aimed at softening the effect of the Usury Law, the amount payable by borrowers pursuant to the Mortgage Receivables 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 (i) under an agreement subsequent to such accrual or (ii) 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 three-monthly 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 and No. 10127/2005) have held that such practices are not *uso normativo*. Consequently, if customers of the Originator or of the 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. UCI has, however, represented in the Warranty and Indemnity Agreement that the Mortgage Loans comply with Article 1283 of the Italian Civil Code.

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 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.

Mortgage borrower protection

Prepayment fees

On 31 January 2007, the Italian Government adopted law decree No. 7 which was later converted into law by Law No. 40 of 2 April 2007 (the "**Bersani Decree**").

The Bersani Decree aims at, *inter alia*, increasing competitiveness in a number of sectors, including the banking sector with particular regard to residential mortgage loans.

The costs associated with prepayment of mortgage loans in Italy (including the prepayment fees requested by Italian banks and the notarial fees and tax costs associated with the refinancing) have caused prepayment rates in the Italian market to be lower compared to other jurisdictions. The Bersani Decree aims at reducing these costs with a view to allow borrowers to refinance their mortgage loans more easily.

With specific regard to mortgage loans (and, in particular, mortgage loans granted to individuals for the purchase or the restructuring of residential properties) executed after 2 February 2007, under Article 7 of the Bersani Decree, prepayment fees are no longer permitted. Any provision to the contrary is null and void.

The Bersani Decree also contains provisions applicable to mortgage loans for the purchase of residential properties executed before 2 February 2007 (such as the Receivables arising under Mortgage Receivables comprised in the Portfolio). In this respect, the Bersani Decree lays down basic rules which may lead to a renegotiation of the relevant mortgage loans and, more importantly, a reduction of the applicable prepayment fees. Pursuant to Article 7 of the Bersani Decree, on 2 May 2007, the Italian banking association (*ABI – Associazione Bancaria Italiana*) and the national consumers' associations as identified in accordance with Article 137 of the legislative decree No. 206 of 6 September 2006 (i.e. the Italian consumers' protection code) agreed the general guidelines for a renegotiation of the existing mortgage loans (the "**Prepayment Agreement**"). The terms of the Prepayment Agreement reproduced below have been extracted by a press release issued by the Italian banking association (*ABI – Associazione Bancaria Italiana*) on 2 May 2007 and has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Italian banking association (*ABI – Associazione Bancaria Italiana*), no facts have been omitted which would render this information inaccurate or misleading.

In particular, the Prepayment Agreement provides for the following maximum thresholds for prepayment fees:

(a) in respect of floating rate mortgage loans:

(i) 0.50 per cent.;

(ii) 0.20 per cent. if the prepayment occurs in the third year before the maturity of the mortgage loan; and

(iii) nil if the prepayment occurs in the last two years before the maturity of the mortgage loan; and

(b) in respect of fixed rate mortgage loans granted before 1 January 2001:

(i) 0.50 per cent.;

(ii) 0.20 per cent. if the prepayment occurs in the third year before the maturity of the mortgage loan; and

(iii) nil if the prepayment occurs in the last two years before the maturity of the mortgage loan;

(c) in respect of fixed rate mortgage loans granted after 31 December 2000:

(i) 1.90 per cent. if the prepayment occurs during the first half of the tenor of the mortgage loan;

(ii) 1.50 per cent. if the prepayment occurs during the second half of the tenor of the mortgage loan;

(iii) 0.20 per cent. if the prepayment occurs in the third year before the maturity of the mortgage loan; and

(iv) nil if the prepayment occurs in the last two years before the maturity of the mortgage loan.

In respect of mixed rate mortgage loans (i.e. those mortgage loans whose interest rate may vary from a fixed rate to a floating one and *viceversa*), the Prepayment Agreement provides for the applicability of one of the reductions described under (a), (b) and (c) above depending, *inter alia*, on the date of granting of the mortgage loans, the remaining term of, and type of interest rate applied to, the relevant mortgage loan as at the date when the prepayment occurs.

The Prepayment Agreement further provides that if the contractually agreed prepayment fee is equal to or lower than the thresholds described above, the applicable prepayment fee will be subject to the following additional reductions:

(a) in respect of floating rate mortgage loans and fixed rate mortgage loans granted before 1 January 2001, 0.20 per cent.; and

(b) in respect of fixed rate mortgage loans granted after 31 December 2000, if (i) the contractually agreed prepayment fee is equal to or higher than 1.25 per cent., 0.25

per cent.; and (ii) the contractually agreed prepayment fee is lower than 1.25 per cent., 0.15 per cent.

In any case, banks (as well as their assignees, including the Guarantor) may not refuse the renegotiation of an existing mortgage loan (including the Mortgage Receivables comprised in the Portfolio) if the relevant debtor proposes to reduce the prepayment fee within the limits set out in the Prepayment Agreement.

The Bersani Decree moreover includes other miscellaneous provisions relating to mortgage loans which include, *inter alia*, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

Prospective OBG Holders' attention is drawn to the fact that the entry into force of the Bersani Decree is expected to have an impact on the market of residential mortgage loans with particular regard to the enforceability of the borrowers' obligations to pay prepayment fees to the lender (and their assignees, including the Guarantor) and the rate of prepayments. As a result of the entry into force of the Bersani Decree, the Guarantor may not be able to recover the prepayment fees in the amount originally agreed with the borrowers. Furthermore, the rate of prepayment in respect of the Mortgage Receivables can be sensibly different from the one traditionally experienced by the Seller for residential mortgage loans.

Subrogation under the Bersani Decree

Under Article 8 of the Bersani Decree, a borrower under a mortgage loan may unilaterally subrogate (i.e. replace) the original lending bank (or its assignees, including the Guarantor) with a new lender in accordance with Article 1202 of the Italian Civil Code even if the original mortgage loan agreement provides that the relevant debtor may not repay the loan before a pre-determined term. In case of subrogation, the mortgage and collateral securities that guarantee the mortgage loan will pass to the new lender without any substantial formality.

In addition, Italian law number 244 of 24 December 2007 (the "**2008 Budget Law**") provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. The new provisions of law facilitate the exercise by the borrowers of their right to prepayment of the loan and/or subrogation of a new bank into the rights of their creditors, in accordance with Article 1202 (*surrogazione per volontà del debitore*) of the Italian Civil Code, by eliminating the limits and costs previously borne by the borrowers for the exercise of such right. The recent Italian law decree No. 78 of 1 July 2009 (as converted into law by the Italian law No. 102 of 3 August 2009) provides, *inter alia*, that, if the subrogation has not been executed within 30 days from the date of the assignee bank's request of

interbank co-operation procedures, the original bank shall indemnify the relevant borrower for an amount equal to 1 per cent. of the mortgage value for each month or portion of month of delay. In the event the delay is due to circumstances ascribed to the assignee bank, the original bank shall be entitled to recover the indemnity paid to the borrower from the assignee bank.

Borrower's right to suspend payments under a Mortgage Loan

Pursuant to Article 2, paragraph 475 and ff. of the 2008 Budget Law, any borrower under a mortgage loan agreement executed for the purposes of acquiring a "first home" real estate property (*unità immobiliare da adibire ad abitazione principale*) giving evidence of its incapability to pay any instalments falling due under a mortgage loan is entitled to suspend payment of any such instalments for no more than two times during the life of the relevant mortgage loan and for a maximum duration of 18 months (the "**Borrower Payment Suspension Right**"). Upon exercise of the Borrower Payment Suspension Right the duration of the relevant mortgage loan will be extended to a period equal to the duration of the relevant suspension period.

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

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

In particular, under Decree 132/2010, a borrower is entitled to exercise the Borrower Payment Suspension Right if and to the extent that, on the date of submission of the relevant request (i) he/she is the owner of the real estate asset relating to the mortgage loan agreement; (ii) the relevant mortgage loan has been granted for an original amount not exceeding €250,000, and the relevant amortisation plan has commenced by at least one year; (iii) the index of the equivalent economic situation (*indicatore della situazione economica equivalente - ISEE*) should not exceed €30,000; (iv) the relevant real estate asset must not fall in the A/1, A/8 and A/9 cadastral categories, it must not be a luxury real estate as defined under ministerial decree of 2 August 1969 and it must be a "first home" of the borrower at the submission of the application; and (v) at least one of the following facts occurs after the drawing-up of the mortgage loan agreement: (a) loss of the non self-employed work for an indefinite period or end of the parasubordinated job or similar job, without a new job for at least three months; (b) death or non-self sufficiency of one of the household members earning at least 30 per cent. of the total taxable income of the relevant household; (c) payment of medical or home care expenses for an annual amount of at least €5,000; (d) payment of extraordinary

maintenance, refurbishment or similar expenses for annual amount of at least €5,000; (e) an increase of the relevant floating rate mortgage loan instalment of at least 25 per cent. in the case of semi-annual instalments and at least 20 per cent. in the case of monthly instalments.

The agreement entered into on 18 December 2009 between the Italian Banking Association (*Associazione Bancaria Italiana - ABI*) and the Consumers Associations (*Associazioni dei Consumatori*) along with the relevant technical document attached therein adhered by the Issuer on 27 January 2010 (the "**Piano Famiglie**") provides for a 12-month period suspension of payment of instalments relating to mortgage loans, where requested by the relevant Debtor during the period from 1 February 2010 to 31 January 2011. The suspension is allowed only where the following events have occurred: (i) termination of employment relationship; (ii) termination of employment relationships regulated under Article 409 No. 3 of the Italian civil procedure code; (iii) death or the occurrence of conditions pertaining to non-self sufficiency; and/or (iv) suspension from work or reduced working hours for a period of at least 30 days. The relevant events satisfying the subjective requirements must have occurred in respect of the relevant Debtor during the period from 1 January 2009 to 31 December 2010. The suspension can be requested on one occasion only, provided that the mortgage loans are granted for amounts not exceeding €150,000, granted for the purchase, construction or renovation of a primary residence (*mutui prima casa*), including: (i) mortgage loans assigned under securitisation or covered bond transactions pursuant to Law 130, (ii) renegotiated mortgage loans and (iii) mortgage loans whereby the relevant lender was subrogated pursuant to the Bersani Decree. Finally, in order to obtain such suspension of payments, the Debtor shall have an income not exceeding €40,000 per year. The document clarifies that, in the context of a securitisation or covered bond transaction, the special purpose vehicle, or the Issuer acting on its behalf, can adhere to the Piano Famiglie. The suspension can be limited to principal instalments only or can encompass both principal and interest instalments.

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

Prospective investors' attention is drawn to the fact that the potential effects of the suspension schemes and the impact thereof on the amortisation and prepayment profile of the Portfolio cannot be predicted by the Issuer as at the date of this Prospectus.

The pieces of legislation referred to in each paragraph under the section headed "*Mortgage borrower protection*" above may have an adverse effect on the Portfolio and, in particular, on any cash flow projections concerning the Portfolio 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 Prospectus, the Issuer is not in a position to predict its impact.

3. Factors which are material for the purpose of assessing the market risks associated with OBG issued under the Programme

The OBG may not be a suitable investment for all investors

Each potential investor in the OBG 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 OBG, the merits and risks of investing in the OBG and the information contained or referred to in this 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 OBG and the impact the OBG 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 OBG, especially if the potential investor's currency is not the euro;

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

Risks related to the structure of a particular issue of OBG

OBG issued under the Programme will either be fungible with an existing Series or Tranche or have different terms to an existing Series or Tranche (in which case they will constitute a new Series or Tranche as the case may be). All OBG 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 OBG Guarantor under the OBG Guarantee. If an Issuer Event of

Default and a Guarantor Event of Default occur and result in acceleration, all OBG of all Series or Tranche will accelerate at the same time.

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

OBG subject to optional redemption by the Issuer

An optional redemption feature of OBG is likely to limit their market value. During any period when the Issuer may elect to redeem OBG, the market value of those OBG generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem OBG when its cost of borrowing is lower than the interest rate on the OBG. 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 OBG 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.

Index Linked OBG

The Issuer may issue OBG with interest or principal payments determined by reference to an index or formula, to changes in the prices of securities or commodities or other factors (each a "**Relevant Factor**"). Prospective investors should be aware that:

(i) the market price of such OBG may be very volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time than expected;

(iv) the Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices;

(v) if a Relevant Factor is applied to OBG in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Zero Coupon OBG

The Issuer may issue OBG which do not pay current interest but are issued at a discount from their nominal value or premium from their principal amount. Such OBG are characterised by the circumstance that the relevant OBG holders, instead of benefitting from periodical interest payments, shall be granted an interest income consisting in the difference between the redemption price and the issue price, which difference shall

reflect the market interest rate. A holder of a zero coupon OBG is exposed to the risk that the price of such bond falls as a result of changes in the market interest rate. Prices of zero coupon OBG are more volatile than prices of fixed rate OBG and are likely to respond to a greater degree to market interest rate changes than interest bearing OBG with a similar maturity. Generally, the longer the remaining terms of such OBG, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Credit-Linked OBG and Equity-Linked OBG

The Issuer may issue Credit-Linked OBG in which the relevant obligation to pay interest and/or principal is linked to the credit of one or more reference entities. There is no guarantee that the holders will receive the full principal amount of such OBG or any interest thereon and ultimately the obligations of the Issuer to pay principal under such OBG may even be reduced to zero. The Issuer may also issue Equity-Linked OBG in which the payment of principal and/or interest will be calculated by reference to the value of certain underlying shares. For their features, both Credit-Linked OBG and Equity-Linked OBG should be purchased by sophisticated investors that are able to adequately assess the risks connected with an investment in Credit-Linked OBG or Equity-Linked OBG.

Variable Rate OBG with a multiplier or other leverage factor

OBG 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.

Fixed/Floating Rate OBG

Fixed/Floating Rate OBG may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the OBG since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate OBG may be less favourable than then prevailing spreads on comparable Floating Rate OBG tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other OBG. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its OBG.

OBG 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 remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to OBG generally

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

Certain decisions of OBG Holders taken at Programme level

Any Programme Resolution to direct the Representative of the OBG Holders to serve a Notice to Pay or a Guarantor Acceleration Notice, and any direction to the Representative of the OBG Holders to take any enforcement action must be passed at a single meeting of the holders of all OBG of all Series then outstanding as set out in the Rules of the Organisation of OBG Holders attached to the Conditions as Schedule 1 and cannot be decided upon at a meeting of OBG Holders of a single Series or Tranche. A Programme Resolution will be binding on all OBG Holders including OBG Holders who did not attend and vote at the relevant meeting and OBG Holders who voted in a manner contrary to the majority.

The Representative of the OBG Holders may agree to modifications to the Transaction Documents without the OBG Holders' or other Secured Creditors' (as defined below) prior consent.

The Representative of the OBG Holders may, without the consent or sanction of any of the OBG Holders or any of the other Secured Creditors, concur with the Issuer and/or the OBG Guarantor and any relevant parties in making any modification as follows:

(i) to the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the OBG Holders may be expedient to make provided that the Representative of the OBG Holders is of the opinion that such modification will be proper to make and will not be materially prejudicial to the interests of any of the OBG Holders of any Series;

(ii) to 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 OBG Holders is to correct a manifest error or an error established as such to the satisfaction of the Representative of the OBG Holders or for the purpose of clarification; and

(iii) to the Conditions or the other Transaction Documents which is necessary to comply with mandatory provisions of law and regulation or a change of the OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

The transaction documents provide that under certain circumstances (e.g. changes in the portfolio composition, changes in laws or in general interpretation of laws, amendments to the eligibility criteria, etc.) certain provisions of the Transaction Documents may be amended without the prior approval of the Representative of the OBG Holders and/or of the OBG Holders. For further details please refer to "*Limited description of the Portfolio*" in this Section and the "*Description of the Transaction Documents*".

Controls over the transaction

The BoI OBG Regulations require that certain controls be performed by the Issuer (also in its capacity as Seller) (see "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 OBG Guarantor under the OBG is not complied with. Whilst the Issuer (also in its capacity as Seller) 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 payment obligations are actually performed and that any failure to properly implement the relevant policies and controls could have an adverse effect on the Issuers' or the OBG Guarantor's ability to perform their obligations under the OBG.

Limits to the Integration

Under the BoI OBG Regulations, the Integration (as defined below), whether through Assets or through Integration Assets shall be carried out in accordance with the modalities, and subject to the limits, set out in the BoI OBG Regulations (see Selected aspects of Italian law - Tests set out in the MEF Decree).

More specifically, under the BoI OBG Regulations, the Integration is allowed exclusively for the purpose of (a) complying with the Mandatory Tests (as defined below); (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements or (c) complying with the 15 per cent. maximum amount of Integration Assets within the Portfolio.

Investors should note that the Integration is not allowed in circumstances other than as set out in the BoI OBG Regulations and specified above.

Tax consequences of holding the OBG

Potential investors should consider the tax consequences of investing in the OBG and consult their tax adviser about their own tax situation.

Prospectus to be read together with applicable Final Terms

The terms and conditions of the OBG apply to the different types of OBG which may be issued under the Programme. The full terms and conditions applicable to each Series or Tranche of OBG can be reviewed by reading the Conditions as set out in full in this Prospectus, which constitute the basis of all OBG to be offered under the Programme, together with the applicable Final Terms which applies and/or disapplies, supplements and/or amends the Conditions of the Programme in the manner required to reflect the particular terms and conditions applicable to the relevant Series of OBG (or Tranche thereof).

Liability to make payments when due on the OBG

The Issuer is liable to make payments when due on the OBG. The obligations of the Issuer under the OBG 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 OBG will not benefit from any security or other preferential arrangement granted by the Issuer. The OBG Guarantor has no obligation to pay the Guaranteed Amounts payable under the OBG Guarantee until the service on the OBG Guarantor of a Notice to Pay. Failure by the OBG Guarantor to pay amounts due under the OBG Guarantee in respect of any Series or Tranche would constitute a Guarantor Event of Default which would entitle the Representative of the OBG Holders to serve a Guarantor Acceleration Notice and accelerate the obligations of the OBG Guarantor under the OBG Guarantee and entitle the Representative of the OBG Holders to enforce the OBG Guarantee.

The OBG will not represent an obligation or be the responsibility of any of the Dealers, the Representative of the OBG Holders or any other party to the Transaction Documents, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and the OBG Guarantor. The Issuer and the OBG Guarantor will be liable solely in their corporate capacity for their obligations in respect of the OBG and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

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.

Secondary Market

OBG may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their OBG easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for OBG that are especially sensitive to interest rate 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 OBG generally would 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 OBG. In addition, OBG issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such OBG may be adversely affected. In an illiquid market, an investor might not be able to sell his OBG at any time at fair market prices. The possibility to sell the OBG might additionally be restricted by country specific reasons.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the OBG in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes

due to devaluation of the euro 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 euro would decrease (1) the Investor's Currency-equivalent yield on the OBG, (2) the Investor's Currency equivalent value of the principal payable on the OBG and (3) the Investor's Currency equivalent market value of the OBG. 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.

Interest rate risks

Investment in Fixed Rate OBG involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate OBG.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the OBG. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the OBG. 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.

In general European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registed under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU- registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings referred to in this Prospectus and/or the Final Terms, will be disclosed in the Final Terms

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

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

EU Savings Directive

Legislative Decree No. 84 of 18 April 2005 implemented in Italy, as of 1 July 2005, the European Council Directive No. 2003/48/EC on the taxation of savings income. Under

the Directive, Member States, if a number of important conditions are met, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding tax system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Same details concerning payment of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the OBG Guarantor or any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any OBG as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Change of law

The structure of the Programme and *inter alia* the issue of the OBG are based on Italian law, tax and administrative practice in effect at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice or its interpretation will not change after the Issue Date of any Series or Tranche or that such change will not adversely impact the structure of the Programme and the treatment of the OBG. This Prospectus will not be updated to reflect any such changes or events.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal 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) OBG are legal investments for it, (2) OBG can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any OBG. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of OBG under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents:

(1) Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended 30 September 2011 (the "**September 2011 Financial Statements**"). A copy of the auditors' report on the review of condensed interim consolidated financial statements as of and for the nine months ended 30 September 2011 is included in this Prospectus as Annex 1;

(2) Issuer's unaudited condensed interim consolidated financial statements (including review report) as of and for the six months ended 30 June 2011 (the "**June 2011 Financial Statements**");

(3) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2010 (the "**December 2010 Financial Statements**");

(4) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2009 (the "**December 2009 Financial Statements**"); and

(5) Issuer's current by-laws (*statuto*) (for information purposes only),

which documents have been previously published or are published simultaneously with this Prospectus and which have been approved by the CSSF or filed with it. Such documents shall be incorporated in and form part of this 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 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 Prospectus.

Copies of all documents incorporated herein by reference may be obtained without charge at the head office of the Issuer and the Luxembourg Listing Agent and may be obtained via the internet at the websites of the Issuer (*www.unicreditgroup.eu*) and the Luxembourg Stock Exchange (*www.bourse.lu*). Written or oral requests for such documents should be directed to the specified office of the Luxembourg Listing Agent.

The table below sets out the relevant page references for (i) the Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended 30 September 2011; (ii) the Issuer's unaudited condensed interim consolidated financial statements (including review report) as of and for the six months ended 30 June 2011; (iii) the audited consolidated financial statements of the UniCredit Group as of and for the year ended 31 December 2010; (iv) the audited consolidated financial statements of the UniCredit Group as of and for the year ended 31 December 2009; and (v) the Issuer's current by-laws (*statuto*).

Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended 30 September 2011

Document	Information contained	Page
Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended 30 September 2011		
	Balance Sheet	100-101
	Income Statement	102
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Any information not listed in the table above but included in the September 2011 Financial Statements, the June 2011 Financial Statements, the December 2010 Financial Statements and the December 2009 Financial Statements incorporated by reference herein does not form part of the Prospectus, is either not relevant or is covered elsewhere in this Prospectus.

The consolidated financial statements of the Issuer as at and for the years ended, respectively, on 31 December 2010 and 31 December 2009 have been audited by KPMG S.p.A., in its capacity as independent auditor of the Issuer, as indicated in their reports thereon.

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

The OBG Guarantor non-statutory interim financial statements in respect of the period from 17 November 2011 to 31 December 2011, prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS), have been audited by Dott. Lino De Luca (Public Certified Accountant), in

his capacity as independent auditor of the OBG Guarantor, as indicated in his reports thereon.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, the Issuer will prepare and make available an appropriate supplement to this Prospectus or a further Prospectus which, in respect of any subsequent issue of OBG 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 Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities.

Without prejudice to its statutory obligations, each of the Issuer and the OBG Guarantor 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 Prospectus which is capable of affecting the assessment of any OBG and whose inclusion in or removal from this 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 OBG Guarantor, and the rights attaching to the OBG, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the OBG and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

GENERAL DESCRIPTION OF THE PROGRAMME

The following section contains a general description of the Programme and, as such, does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any Series or Tranche, the applicable Final Terms. Prospective purchasers of OBG should carefully read the information set out elsewhere in this Prospectus prior to making an investment decision in respect of the OBG. In this section, references to a numbered condition are to such condition in "Terms and Conditions of the OBG" below.

Certain terms used in this section, but not defined, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is contained at the end of this Prospectus, commencing on page 338.

1 The Principal Parties

Issuer

UniCredit S.p.A. (the "**Issuer**" or "**UniCredit**") is a bank organised and existing under the laws of the Republic of Italy, whose registered office is at Via A. Specchi 16, 00186, Rome, Italy, head office at Piazza Cordusio, Milan, with Fiscal Code, VAT number and registration number with the companies' register of Rome 00348170101 and head office in Piazza Cordusio, Milan, Italy, and registered with the Bank of Italy pursuant to Article 13 of Italian legislative decree No. 385 of 1 September 1993 (the "**Banking Law**") under number 02008.1, parent company of the "*Gruppo Bancario UniCredit*" registered with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Banking Act under number 02008.1 (the "**UniCredit Banking Group**" or the "**Group**" or the "**UniCredit Group**"), member of the *Fondo Interbancario di Tutela dei Depositi* and the *Fondo Nazionale di Garanzia*. See "*Description of the Issuer*", below.

OBG Guarantor

UniCredit OBG S.r.l. (the "**OBG Guarantor**") is a limited liability company incorporated in the Republic of Italy under Article *7-bis* of Italian law No. 130 of 30 April 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Law 130**"). The OBG Guarantor is registered with the companies' register of Verona under number 04064320239, with the general register (*elenco generale*) pursuant to Article 106 of the Banking Law under number 42011. The registered office of the OBG Guarantor is at Piazzetta Monte, 1, I-37121 Verona, Italy and its tax identification number

	(*codice fiscale*) is 04064320239. The OBG Guarantor is directed and co-ordinated (*soggetta all'attività di direzione e coordinamento*) by UniCredit and belongs to the UniCredit Banking Group. The issued capital of the OBG Guarantor is equal to €10,000, 60 per cent. owned by UniCredit and 40 per cent. owned by SVM Securitisation Vehicles Management S.r.l. (the "**Shareholder**"), an Italian limited liability company (*società a responsabilità limitata*), with registered office at Via Alfieri, 1, I-31015 Conegliano (Treviso), Italy. See "*Description of the OBG Guarantor*", below.
Seller	UniCredit is the seller (in such capacity, the "**Seller**"). See "*Description of the Issuer*", below. Pursuant to the terms of a master transfer agreement dated 13 January 2012 as amended from time to time (the "**Master Transfer Agreement**") between the OBG Guarantor and the Seller, the Seller (a) sold an initial portfolio comprising Residential Mortgage Receivables (the "**Initial Portfolio**") to the OBG Guarantor and (b) agreed the terms upon which it may assign and transfer Assets and/or Integration Assets (in each case as defined below) satisfying the Criteria (as defined below) to the OBG Guarantor from time to time, on a revolving basis in the cases and subject to the limits referred to in section "*Creation and administration of the Portfolio*" below.
Subordinated Loan Provider	UniCredit is the subordinated loan provider (in such capacity, the "**Subordinated Loan Provider**") pursuant to the terms of a subordinated loan agreement dated 13 January 2012 as amended from time to time (the "**Subordinated Loan Agreement**") between the OBG Guarantor, the Representative of the OBG Holders and the Subordinated Loan Provider pursuant to which the Subordinated Loan Provider has agreed to grant to the OBG Guarantor a subordinated loan in an aggregate maximum amount, save for further increases which may determined unilaterally by the Subordinated Loan Provider, equal to €10,000,000,000 (the "**Subordinated Loan**").
Dealers	UniCredit Bank AG is a German bank incorporated under German law as a public company limited by shares (*Aktiengesellschaft*), registered with the Commercial

	Register administered by the Local Court of Munich, Federal Republic of Germany at number HR B 421 48. It belongs to the UniCredit Banking Group and has its registered office at Kardinal-Faulhaber-Strasse 1, D-80333 Munich, Federal Republic of Germany. UniCredit Bank AG is the dealer ("**UniCredit Bank**"). The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranche, one or more Series, or in respect of the whole Programme.
Sole Arranger	UniCredit Bank AG, London Branch is registered as a foreign branch with the Companies House of England and Wales under number BR001757. UniCredit Bank AG, London Branch, acting through its offices at Moor House 120, London Wall, London EC2Y 5ET, United Kingdom, is the sole arranger (in such capacity, the "**Sole Arranger**").
Servicer	UniCredit (in such capacity, the "**Servicer**") will administer the Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated 13 January 2012, as amended from time to time, between the Issuer and the Servicer (the "**Servicing Agreement**").
Administrative Services Provider	UniCredit Credit Management Bank S.p.A. is a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, fiscal code and registration number with the companies' register of Verona 00390840239, VAT number 02659940239, with registered office at Piazzetta Monte, 1, I-37121 Verona, Italy, registered under number 10639.3 (*codice meccanografico*) with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to Article 13 of the Banking Law, member of the *Fondo Interbancario di Tutela dei Depositi* and of the *Fondo Nazionale di Garanzia* ("**UCMB**"). UCMB is a company with a sole shareholder and is directed and co-ordinated (*soggetta all'attività di direzione e coordinamento*) by UniCredit and belongs to the UniCredit Banking Group. UCMB is the administrative services provider to the OBG Guarantor (the "**Administrative Services Provider**"). Pursuant to the terms of an administrative services agreement dated 13 January 2012 as amended from time to time (the "**Administrative Services Agreement**"), the

	Administrative Services Provider has agreed to provide certain administrative and secretarial services to the OBG Guarantor.
Portfolio Manager	The entity to be appointed under the Portfolio Administration Agreement (as defined below) in order to carry out certain activities in connection with the sale of the Assets or Integration Assets, following the occurrence of an Issuer Event of Default (as defined below) (the "**Portfolio Manager**").
Asset Monitor	Mazars S.p.A., is incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, having its registered office at Corso di Porta Vigentina, 35, 20122, Milan, Italy, fiscal code and enrolment with the companies register of Milan number 01507630489, registered under number 97909 with the special register of accounting firms held by CONSOB pursuant to Article 161 of the Financial Services Act, is the asset monitor under the Programme (the "**Asset Monitor**").
Cash Manager	UniCredit, or any other person for the time being acting as such, is the cash manager to the OBG Guarantor (in such capacity, the "**Cash Manager**") pursuant to the terms of a cash management and agency agreement dated 19 January 2012, as amended from time to time, between the Issuer, the OBG Guarantor, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent, the Cash Manager, the Paying Agent and the Administrative Services Provider (the "**Cash Management and Agency Agreement**"). The Cash Manager will perform certain cash management functions on behalf of the OBG Guarantor. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*", "*Description of the Transaction Documents*" and "*Description of the Issuer*", below.
Account Bank	UniCredit, or any other person for the time being acting as such, is the account bank to the OBG Guarantor in respect of certain of the OBG Guarantor's bank accounts (in such capacity, the "**Account Bank**") pursuant to the terms of the Cash Management and Agency Agreement. The Account Bank has opened, and will maintain, certain bank accounts in the name of the OBG Guarantor and

	will operate such accounts in the name and on behalf of the OBG Guarantor. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*", "*Description of the Transaction Documents*" and "*Description of the Issuer*", below.
Calculation Agent	UniCredit Bank AG, acting through its London branch with offices at Moor House 120, London Wall, London EC2Y 5ET, United Kingdom, or any other person for the time being acting as such, is the calculation agent (in such capacity, the "**Calculation Agent**") pursuant to the terms of the Cash Management and Agency Agreement. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*" and "*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*", below.
Additional Calculation Agent	Capital and Funding Solutions S.r.l. is a company incorporated as a limited liability company with sole quotaholder (*societá a responsabilita limitata uninominale*) organised under the laws of the Republic of Italy, registered with the companies' register held in Bergamo, Italy, at number 03560990164, fiscal code 03560990164 and VAT number 03560990164 ("**Capital Solutions**"). Capital Solutions, or any other person for the time being acting as such, is the additional calculation agent (the "**Additional Calculation Agent**"). See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*" and "*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*", below.
Paying Agent	BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of €165,279,835, having its registered office at Rue d'Antin, Paris, France, operating for the purposes hereof through its Milan Branch located in Via Ansperto, 5, I-20123 Milan, Italy, registered with the companies' register held in Milan, Italy at number 13449250151, fiscal code and VAT number 13449250151, enrolled in register of banks (*albo delle banche*) held by the bank of Italy at number 5483, or any other person for the time being acting as such, is the paying agent in respect of the OBG and on

	behalf of the Issuer (the "**Paying Agent**") pursuant to the terms of the Cash Management and Agency Agreement. The Paying Agent has opened, and will maintain the Payments Account, the Eligible Investments Account and the Securities Account (in each case as defined below) in the name of the OBG Guarantor and will operate such accounts in the name and on behalf of the OBG Guarantor. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*" and "*Description of the Transaction Documents*", below.
Luxembourg Listing Agent	BNP Paribas Securities Services, Luxembourg Branch, a French *société en commandite par actions* with capital stock of €165,279,835, having its registered office at Rue d'Antin, Paris, France, operating for the purpose hereof through its Luxembourg Branch located in 33, Rue de Gasperich Howald-Hesperange, L-2085 Luxembourg, or any other person for the time being acting as such, is the Luxembourg listing agent (in such capacity, the "**Luxembourg Listing Agent**").
Representative of the OBG Holders	Securitisation Services S.p.A. is the representative of the holders of the OBG (the "**Representative of the OBG Holders**"). Securitisation Services S.p.A. is a joint stock company (*società per azioni*) organised under the laws of the Republic of Italy, with a share capital of €1,595,055.00 (fully paid-up), registered with the companies' register of Treviso under number 03546510268, fiscal code and VAT number 03546510268, registered with the general register (*elenco generale*) pursuant to Article 106 of the Banking Act under number 31816 and has its registered office at via Alfieri, 1, I-31015 Conegliano (Treviso), Italy, subject to the activity of management and coordination ("*attività di direzione e coordinamento*") of Finanziaria Internazionale Holding S.p.A.
Additional Sellers	Any bank (each an "**Additional Seller**") other than the Seller which is a member of the UniCredit Banking Group that will sell Assets or Integration Assets (as defined below) to the OBG Guarantor, subject to satisfaction of certain conditions, and that, for such purpose, shall, *inter alia,* enter into a master transfer agreement, substantially in the form of the Master Transfer Agreement and shall, *inter alia*, accede the

	Intercreditor Agreement (which will be amended in order to take into account the granting of additional subordinated loans) and become a party to the Portfolio Administration Agreement.
Ownership or control relationships between the principal parties	As of the date of this Prospectus, no direct or indirect ownership or control relationships exist between the principal parties described above in this Section, other than the relationships existing between the Issuer (which, in the context of the Programme, acts also as Servicer, Seller, Subordinated Loan Provider, Account Bank and Cash Manager,), the OBG Guarantor, the Sole Arranger, the Calculation Agent, the Dealer and the Administrative Services Provider, all of which belong to the UniCredit Banking Group. The entities belonging to the UniCredit Banking Group are subject to the direction and coordination *(direzione e coordinamento)* of the Issuer.

2 Key Features of the OBG and the Programme

Description	€25,000,000,000 OBG Programme.
Size	Up to €25,000,000,000 at any time in aggregate principal amount of OBG outstanding at any time (the "**Programme Limit**"). The Programme Limit may be increased in accordance with the terms of the Dealer Agreement.
Distribution	The OBG may be distributed on a syndicated or non-syndicated basis.
Issue Price	OBG of each Series or Tranche may be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the relevant Final Terms (in each case, the "**Issue Price**" for such Series or Tranche).
Form of OBG	The OBG may be issued in dematerialised form. The OBG issued in bearer form and in dematerialised form *(emesse in forma dematerializzata)* will be 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 . The OBG will be held by Monte Titoli on behalf of the OBG Holders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for

	Clearstream, Luxembourg and Euroclear. The OBG will at all times be in book entry form and title to the OBG will be evidenced by book entries in accordance with: (i) the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended; and (ii) the regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the OBG.
Currency of denomination	The OBG may only be denominated in Euro.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity not lower than 24 months.
Denominations	In accordance with the Conditions, OBG 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 and provided that each Series will have OBG of one denomination only.
Minimum Denomination	The minimum denomination of the OBG to be issued from the date hereof will be €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the relevant Final Terms.
Issue Date	The date of issue of a Series or Tranche pursuant to and in accordance with the Dealer Agreement (in each case, the "**Issue Date**" in relation to such Series or Tranche).
OBG Payment Date	The date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms, provided however that each OBG Payment Date must also be a Guarantor Payment Date and subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention (each such date, an "**OBG Payment Date**").
OBG Interest Period	Each period beginning on (and including) an Interest Commencement Date or, in respect of any OBG Interest Period other than the first OBG Interest Period of each Series or Tranche, any OBG Payment Date and ending on (but excluding) the next following OBG Payment Date, provided that the initial OBG Interest Period of the First Series or Tranche shall begin on (and include) the

Initial Issue Date and end on (but exclude) the first OBG Payment Date ("**OBG Interest Period**").

"**Interest Commencement Date**" means, in relation to any Series or Tranche of OBG, the Issue Date of the relevant Series or Tranche of OBG or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

Types of OBG

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

Fixed Rate OBG: fixed interest on the Fixed Rate OBG will be payable in arrear on such date or dates specified in the relevant Final Terms and as may be agreed between the Issuer and the relevant Dealers. Fixed interest will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Floating Rate OBG: Floating Rate OBG 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 euro governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., or

(ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable Margin, in each case as provided for in the relevant Final Terms.

The applicable OBG Interest Periods will be specified in the relevant Final Terms.

The Margin (if any) relating to such floating rate OBG will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate OBG and will be specified in the relevant Final Terms.

Index-Linked OBG: Payments of principal in respect of Index-Linked Redemption OBG or of interest in respect of Index-Linked Interest OBG will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree as specified in the applicable Final Terms.

Other Linked OBG: OBG may be issued under the Programme which are either Credit Linked OBG or Equity Linked OBG. The specific terms of any linked instruments will be set out in the applicable Final Terms.

Credit Linked OBG may be principal protected instruments (in which the relevant obligation to pay interest is linked to the credit of one or more reference entities) and/or full instruments *(i.e.* instruments whereby the Issuer may redeem either at a cash redemption amount (above or at par) or physically by delivering deliverable obligations upon the occurrence of certain events relating to the credit of one or more reference entities).

Equity Linked OBG may be either cash settled (in which payments of principal and/or interest will be calculated by reference to the value of underlying shares, as will be set out in the applicable Final Terms) and/or physically delivered equity instruments (in which the Issuer will deliver a specific number of the underlying shares, other than shares of the Issuer and its subsidiaries, in respect of such instruments).

Other provisions in relation to Floating Rate OBG and Index Linked Interest OBG: Floating Rate OBG and Index Linked Interest OBG may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate OBG and Index Linked Interest OBG in respect of each OBG Interest Period, as agreed prior to issue by the Issuer and the relevant Dealers, will be payable on each OBG Payment Date, and will be

	calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms. *Zero Coupon OBG:* Zero Coupon OBG may be issued and sold at their nominal value or at a discount and will not bear interest. The issuance of certain types of OBG may require a prior amendment to the Transaction Documents by means of the written agreement among the relevant parties thereto and will not require the consent of the Representative of the OBG Holders or the approval of the OBG Holders.
Issuance in Series	OBG 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 in respect of such Series. OBG 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 Issuer will issue OBG without the prior consent of the holders of any outstanding OBG but subject to certain conditions (See "*General Description of the Programme - Conditions Precedent to the Issuance of a new series of OBG*" below).
Final Terms	Specific final terms will be issued and published in accordance with the generally applicable terms and conditions of the OBG (the "**Conditions**") prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only or Tranche only (as the case may be), supplements the Conditions and the Prospectus and must be read in conjunction with the Conditions and the Prospectus (each a "**Final Terms**"). The terms and conditions applicable to any particular Series or Tranche of OBG are the Conditions as supplemented, amended and/or replaced by the relevant Final Terms.
Interest on the OBG	Except for the Zero Coupon OBG and unless otherwise specified in the Conditions and the relevant Final Terms, the OBG will be interest-bearing and interest will be calculated, on the relevant dates, on the Outstanding Principal Balance of the relevant OBG. Interest will be

	calculated on the basis of the relevant Day Count Fraction as provided for in the Conditions and in the relevant Final Terms. Interest may accrue on the OBG 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 or be index-linked and the method of calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche. The length of the interest period for the OBG and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series or Tranche. OBG may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.
Redemption of the OBG	The applicable Final Terms will indicate either (a) that the OBG cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or in other specified cases, e.g. taxation reasons, or Guarantor Events of Default), or (b) that such OBG will be redeemable at the option of the Issuer upon giving prior written notice to the Representative of OBG Holders on behalf of the holders of the OBG (the "**OBG Holders**") and in accordance with the provisions of Condition 8 *(Redemption and Purchase)* and of the relevant Final Terms, on a date or dates specified prior to such maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms) or (c) that such will be redeemable at the option of the OBG Holders in accordance with Condition 8(f). The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Redemption by instalments	The Final Terms issued in respect of each issue of OBG that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such OBG may be redeemed.
Optional Redemption	The Final Terms issued in respect of each issue of OBG will state whether such OBG may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the OBG Holders, and if so the terms applicable to such redemption.
Early redemption	Except as provided in "Optional Redemption" above,

	OBG will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See Condition 8 *(Redemption and Purchase)*, below.
Tax gross up and redemption for taxation reasons	Subject to certain exceptions as provided for in Condition 10 *(Taxation),* payments in respect of the OBG to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction, subject as provided in Condition 10 *(Taxation).* In the event that any such withholding or deduction is made the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the OBG will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition 8(c). The OBG Guarantor will not be liable to pay any additional amount due to taxation reasons in case an Issuer Event of Default (as defined below) has occurred.
Maturity Date	The final maturity date for each Series or Tranche (the "**Maturity Date**") will be specified in the relevant Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer. Unless previously redeemed as provided in Condition 8 *(Redemption and Purchase),* the OBG of each Series will be redeemed at their Outstanding Principal Balance on the relevant Maturity Date.
Extendable maturity	The applicable Final Terms may also provide that the obligations of the OBG Guarantor to pay all or (as applicable) part of the Final Redemption Amount (as defined below) payable on the Maturity Date will be deferred pursuant to Condition 8(b) *(Extension of maturity)* for a maximum period of 12 calendar months following the Maturity Date (the "**Extended Maturity Date**"). Such deferral will occur automatically if: (a) an Issuer Event of Default has occurred; and (b) the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts (as defined below)

corresponding to the Final Redemption Amount in full in respect of the relevant Series of OBG as set out in the relevant Final Terms (the "**Final Redemption Amount**") on the Maturity Date.

In these circumstances, to the extent that the OBG Guarantor has sufficient Available Funds (as defined below) to pay in part - on the relevant Maturity Date - the Final Redemption Amount in respect of the relevant Series or Tranche of OBG, the OBG Guarantor shall make partial payment of the relevant Final Redemption Amount, in accordance with the Post-Issuer Event of Default Priority (as defined below), without any preference among the OBG outstanding, except in respect of the applicable maturity of each Series or Tranche.

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 may be paid by the OBG Guarantor on any OBG Payment Date thereafter, up to (and including) the relevant Extended Maturity Date.

Status and ranking of the OBG

The OBG 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 OBG Holders will be collected by the OBG Guarantor on their behalf.

The OBG will be guaranteed by the OBG Guarantor pursuant to the terms of the OBG Guarantee (as defined below) with limited recourse to the Available Funds.

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

Limited recourse	In accordance with the legal framework established by Law 130 and the MEF Decree and with the terms and conditions of the relevant Transaction Documents (as defined below), the OBG Holders will have (i) full recourse to the Issuer and (ii) limited recourse to the OBG Guarantor limited to the Available Funds. See "*Credit Structure*" below.
Conditions precedent to the issuance of OBG	The Issuer may at its option (but shall not be under any obligation to do so), on any date and without the prior consent of the holders of the OBG issued beforehand and of any other creditors of the OBG Guarantor or of the Issuer, issue further Series (or Tranches) of OBG other than the first Series, within the date that falls ten calendar years after the Initial Issue Date and subject to: (i) satisfaction of the Over-Collateralisation Test and of the Mandatory Tests, also taking into account the amount of OBG outstanding further to the relevant new issue of OBG; (ii) compliance with (a) the requirements of issuing/assigning banks *(Requisiti delle banche emittenti e/o cedenti;* see Section II, Para. 1 of the BoI OBG Regulations; the "**Conditions to the Issue**") and (b) the limits to the assignment of further Assets set forth in the BoI OBG Regulations *(Limiti alla cessione;* see Section II, Para. 2 of the BoI OBG Regulations; the "**Limits to the Assignment**"**),** if applicable; (iii) the corporate duration of the Issuer, or of any successor, has not expired; and (iv) no Programme Suspension Period has occurred and is continuing. The payment obligations under the OBG issued under all Series shall be cross-collateralised by all the assets included in the Portfolio, through the OBG Guarantee (as defined below). See also "General description of the Programme - *Ranking and status of the OBG*", below.
Programme Termination Date	"**Programme Termination Date**" means the later of: (i) the date that falls ten calendar years after the Initial Issue Date; and (ii) the date on which all Series of OBG issued under the Programme have been fully redeemed.
Programme Suspension Period	During the period starting from the date on which a

breach of the Over-Collateralisation Test or any of the Mandatory Tests has been ascertained through the delivery of (i) a Negative Report by the Calculation Agent and (ii) an Asset Monitor Report by the Asset Monitor and ending on the later of (1) the date on which such breach has been cured, (2) the tests are satisfied provided that no Issuer Event of Default (caused by an event other than a breach of any of the Mandatory Test or the Over-Collateralisation Test) has occurred and is continuing (each such period a "**Programme Suspension Period**"):

(a) no further payments of interest or repayment on principal to the Seller under the Subordinated Loan (as defined below) (or to any Additional Seller under the relevant additional subordinated loan, if applicable) shall be effected in accordance with the provisions of the relevant subordinated loan agreement and all cash owned by the OBG Guarantor shall be deposited on the relevant Accounts opened in the name of the OBG Guarantor with the Account Bank, according to the Transaction Documents, (until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each OBG outstanding has been accumulated); and

(b) no more purchase price for further Assets and/or Integration Assets (as defined below) will be paid to the Seller (or to the Additional Seller, if applicable), other than through the drawdown of additional advances under the Subordinated Loan or the relevant additional subordinated loan granted by the Additional Seller (if any and as the case may be) but subject to the Limits to the Assignment; and

(c) no more OBG may be issued.

Listing and admission to trading

Application has been made to the Luxembourg Stock Exchange for OBG to be issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of OBG may be unlisted.

The applicable Final Terms will state whether or not the

	relevant OBG are to be listed and, if so, on which stock exchange(s).
Settlement	Monte Titoli S.p.A.
Governing law	The OBG and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law.
Ratings	Tranches of OBG to be issued under the Programme will be rated or unrated. Where a Tranche of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued. Where a Tranche of OBG is rated, the applicable rating(s) will be specified in the relevant Final Terms. OBG to be issued under the Programme, if rated by a specific credit rating agency, are expected to have, from time to time, the same rating assigned by that credit rating agency, from time to time, to the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Issuer. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") will be disclosed in the relevant Final Terms. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency.**
Selling restrictions	The offer, sale and delivery of the OBG and the distribution of offering material in certain jurisdictions including Italy, the United States of America, the United Kingdom shall be subject to the selling restrictions applicable in such countries. See "*Subscription and Sale*" below.

3 OBG Guarantee

Security for the OBG	In accordance with Law 130, pursuant to the OBG Guarantee, the OBG Holders will benefit from a guarantee issued by the OBG Guarantor over a portfolio of receivables transferred or to be transferred by the Seller and the Additional Sellers (if any), arising from some or all of the following assets: (i) residential mortgage receivables, where the relevant

amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 80 per cent. of the value of the mortgaged property (the "**Residential Mortgage Receivables**");

(ii) non residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 60 per cent. of the value of the property (the "**Non-Residential Mortgage Receivables**" and, together with the Residential Mortgage Receivables, the "**Mortgage Receivables**");

(iii) securities satisfying the requirements set forth under Article 2, paragraph 1, letter c) of the MEF Decree (as defined below) (the "**Public Securities**"); and

(iv) securities issued in the framework of securitisation transactions where the relevant securitised portfolio is comprised for at least 95 per cent. of underlying assets having the same characteristics described in paragraphs (i) and (ii) above and having a risk weighting not higher than 20 per cent. under the prudential standardised approach (the "**ABS Securities**" and, together with the Mortgage Receivables and the Public Securities, the "**Assets**"), and, within certain limits, Integration Assets (as defined below). The Assets and the Integration Assets are jointly referred to as the "**Portfolio**").

Under the terms of the OBG Guarantee, following the service of a Notice to Pay (as defined below) on the OBG Guarantor as a result of the occurrence of an Issuer Event of Default (as defined below), the OBG Guarantor will be obliged to pay any amounts due under the OBG as and when the same were originally due for payment by the Issuer.

The obligations of the OBG Guarantor under the OBG Guarantee constitute an autonomous guarantee *(garanzia autonoma)* and certain provisions of the civil code relating to non-autonomous personal guarantees

(fidejussioni), as specified in the MEF Decree, shall not apply. Accordingly, the obligations of the OBG Guarantor under the OBG Guarantee constitute direct, unconditional, unsubordinated obligations of the OBG Guarantor, limited recourse to the Available Funds, regardless of any invalidity, irregularity, genuiness or unenforceability of any of the guaranteed obligations of the Issuer.

Issuer Events of Default

Each of the following events with respect to the Issuer shall constitute an "**Issuer Event of Default**":

(i) default is made by the Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest on the OBG of any Series when due; or

(ii) the Issuer has incurred into a material default in the performance or observance of any of its obligations under or in respect of the OBG (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 OBG) and (except where, in the opinion of the Representative of the OBG Holders, such default is not capable of remedy in which case no notice will be required), such default remains unremedied for 30 days after the Representative of the OBG Holders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the OBG Holders and specifying whether or not such default is capable of remedy; or

(iii) an Insolvency Event (as defined in the Conditions) occurs in respect of the Issuer; or

(iv) the Mandatory Tests or Over-Collateralisation Test have been breached and not cured within 1 month following the delivery by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor Report; or

(v) a resolution pursuant to Article 74 of the Banking Law is issued in respect of the Issuer.

If an Issuer Event of Default occurs:

(a) the Representative of the OBG Holders shall promptly serve a notice (the "**Notice to Pay**") on the

OBG Guarantor declaring that an Issuer Event of Default has occurred and specifying, in case of the Issuer Event of Default referred to under paragraph (v) above, that the Issuer Event of Default may have temporary nature;

(b) after the service of a Notice to Pay, each Series of OBG will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (i) such events shall not trigger an acceleration against the OBG Guarantor, (ii) in accordance with Article 4, Para. 3, of the MEF Decree, the OBG Guarantor shall be solely responsible for the exercise of the rights of the OBG Holders *vis-à-vis* the Issuer and (iii) in case of the Issuer Event of Default referred to under paragraph (v) above (x) the OBG Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the amounts due and payable under the OBG within the suspension period and (y) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the OBG (and for the avoidance of doubt, the OBG then outstanding will not be deemed to be accelerated against the Issuer);

(c) after the service of a Notice to Pay, the OBG Guarantor will pay any amounts due under the OBG as and when the same were originally due for payment by the Issuer pursuant to the OBG Guarantee and in accordance with the originals terms and maturity set out in the Conditions and the relevant Final Terms;

(d) after the service of a Notice to Pay, no further payments to the Seller and/or the Additional Sellers (if any) under the Subordinated Loan and/or, as the case may be, the relevant subordinated loan shall be effected and, until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each Series of OBG outstanding has been accumulated, any residual cash of the OBG Guarantor after making the payments or provisions provided for under items (i) to (iv) of the Post-Issuer Event of Default Priority shall be deposited on the

Accounts;

(e) after the service of a Notice to Pay and until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each Series of OBG outstanding has been accumulated, no more purchase price for further Assets and/or Integration Assets (as defined below) will be paid to the Seller and/or the Additional Sellers (if any), other than through the drawdown of additional advances under the Subordinated Loan or, as the case may be, the relevant subordinated loan; and

(f) after the service of a Notice to Pay, no further Series of OBG may be issued.

Guarantor Events of Default

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

(i) non payment of principal and interest in respect of the relevant Series of OBG in accordance with the OBG Guarantee, subject to an 8 days cure period in respect of principal or redemption amount and a 15 days cure period in respect of interest payment the OBG Guarantor; or

(ii) an Insolvency Event occurs in respect of the OBG Guarantor; or

(iii) a breach of the obligations of the OBG Guarantor under the Transaction Documents (other than (i) above) occurs which breach is incapable of remedy or, if in the opinion of the Representative of the OBG Holders capable of remedy, is not in the opinion of the Representative of the OBG Holders remedied within 30 days after notice of such breach shall have been given to the OBG Guarantor by the Representative of the OBG Holders; or

(iv) a breach of the Amortisation Test according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report.

If a Guarantor Event of Default occurs, the Representative of the OBG Holders:

(a) in cases under (i), (ii) and (iv) above, may but shall, if so directed by an Extraordinary Resolution (as defined in the Conditions) of the OBG Holders, and

(b) in case under (iii) above, shall, if so directed by

an Extraordinary Resolution of the OBG Holders,

serve a notice on the OBG Guarantor (the "**Guarantor Acceleration Notice**") and all OBG will accelerate against the OBG Guarantor, becoming immediately due and payable, and they will rank *pari passu* amongst themselves.

"**Calculation Date**" means, in relation to a Guarantor Payment Date, the day falling 4 Business Days prior to such Guarantor Payment Date.

"**Guarantor Payment Date**" means (i) before the occurrence of an Issuer Event of Default, 31 January, 30 April, 31 July and 31 October of each year, provided that the first Guarantor Payment Date will be 30 April 2012, (ii) following the occurrence of an Issuer Event of Default, the last day of each month starting from the calendar month immediately following the calendar month in which the Issuer Event of Default has occurred, subject in all instances to adjustment in accordance with the Modified Following Business Day Convention and (iii) following the occurrence of a Guarantor Event of Default, each Business Day.

Cross acceleration

If a Guarantor Event of Default has occurred, each OBG will accelerate at the same time against the OBG Guarantor, provided that the OBG does not otherwise contain a cross default provision and will thus not cross accelerate in case of an Issuer Event of Default.

Pre-Issuer Event of Default Interest Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Interest Available Funds (as defined below) 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: (a) any OBG Guarantor's documented fees, costs, expenses and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence (the "**Expenses**"), to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller

(if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period (as defined below) with respect to the outstanding Asset;

(ii) *second*, 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 OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to replenish the Reserve Account up to the Total Target Reserve Amount;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount necessary to cover the amounts transferred from the Pre-Issuer Event of Default Principal Priority according to item (i) on any preceding Guarantor Payment Date and not paid yet;

(v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-

Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vii) *seventh*, provided that a Programme Suspension Period is not continuing and after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan (or additional subordinated loan provider, if any, under any additional subordinated loan), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or the relevant additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(viii) *eighth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Loan Interest Amount (as defined below) due and payable under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment,

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

"**Target Expenses Amount**" means at each Guarantor Payment Date the amount of €50,000.

"**Total Target Reserve Amount**" means, on each Guarantor Payment Date, prior to the occurrence of an Issuer Event of Default and the delivery of a Notice to Pay, the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor.

Pre-Issuer Event of Default Principal Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Principal Available Funds (as defined below) 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 amount due and payable under items (i) and (ii) (other than any

amount due according to (i) b)) of the Pre-Issuer Event of Default Interest Priority, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

(ii) *second,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the purchase price of the Assets and Integration Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment;

(iii) *third,* if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds up to the Required Redemption Amount of any Series of OBG outstanding and to comply with the Over-Collateralisation Test and Mandatory Test;

(iv) *fourth,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (v) of the Pre-Issuer Event of Default Interest Priority;

(v) *fifth,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (vi) of the Pre-Issuer Event

of Default Interest Priority;

(vi) *sixth,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof and after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), the amount due as principal redemption under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment,

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

On each Guarantor Payment Date the "**Interest Available Funds**" shall include (a) any interest received from the Portfolio during the Collection Period immediately preceding such Guarantor Payment Date, (b) any interest amount received by the OBG Guarantor as remuneration of the Accounts during the Collection Period immediately preceding such Guarantor Payment Date, (c) any amount received as interest by the OBG Guarantor from any party to the Transaction Documents (other than amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date, (d) any amount deposited in the Reserve Account as at the Calculation Date immediately preceding such Guarantor Payment Date (other than the amount already allocated under item (b)), (e) any amount deposited in the Interest Collection Account, as at the preceding Guarantor Payment Date, (f) the amount standing to the credit of the Expenses Account (other than amounts already allocated under item (b)) at the end of the Collection Period preceding such Guarantor Payment Date (which is not a Programme Termination Date) and (g) any net interest amount or income from any Eligible Investments or of the Securities (without duplication with the Eligible Investments) liquidated at the immediately preceding Liquidation Date.

On each Guarantor Payment Date the "**Principal Available Funds**" shall include: (a) any principal payment received during the Collection Period

immediately preceding such Guarantor Payment Date; (b) any principal amount received by the OBG Guarantor as reimbursement of the Eligible Investments liquidated on the immediately preceding Liquidation Date arising from investment made using principal collection; (c) any principal amount received by the OBG Guarantor from any party to the Transaction Documents (other than the amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date; (d) any amount standing to the credit of the Principal Collection Account (other than the amounts already allocated under item (a)) at the end of the Collection Period preceding such Guarantor Payment Date net of any interest accrued thereon; (e) the amount standing to the credit of the Expenses Account on the Programme Termination Date and (f) any principal amount arising out from the liquidation of Securities (without duplication with the (b) above) liquidated at the immediately preceding Liquidation Date arising from investment made using principal collection.

"**Collection Period**" means (a) prior to the occurrence of a Guarantor Event of Default, any period between each Collection Date (included) and the following Collection Date (excluded), save for the first Collection Period, where the Collection Period is comprised between the Evaluation Date (included) in respect to the transfer of the Initial Portfolio and 1 April 2012 (excluded) and (b) after the occurrence of a Guarantor Event of Default, any period between two Business Days.

"**Collection Date**" means 1 January, 1 April, 1 July and 1 October of each year and, following an Issuer Event of Default, the first calendar day of each month.

"**Evaluation Date**" means (i) in respect of the Initial Portfolio the beginning of 1 January 2012 and (ii) in respect of any New Portfolio, the date indicated as such in the relevant offer for the transfer of New Portfolios.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following an Issuer Event of Default and the service of a Notice to Pay, but prior to the occurrence of a Guarantor Event of Default, the OBG Guarantor will use the Available Funds, 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 (a) the Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, (b) all amounts due and payable to the Seller and/or by the Additional Seller (if any) or the party indicated by the Seller or the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset still owned by the OBG Guarantor;

(ii) *second,* 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 OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third,* to pay, *pari passu* and *pro rata* interest on the OBG and to replenish the Reserve Account up to the Total Target Reserve Amount;

(iv) *fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as principal on the OBG on their relevant OBG Payment Dates;

(v) *fifth,* to deposit on the relevant OBG Guarantor's Accounts any residual amount until the Required Redemption Amount for each Series of OBG outstanding has been accumulated and the Amortisation Test and the Mandatory Test would still be satisfied after such payment;

(vi) *sixth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(vii) *seventh,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(viii) *eighth,* after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan, to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider under the Subordinated Loan provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(ix) *ninth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any), provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(x) *tenth,* after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any) provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment,

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

"**Available Funds**" shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) following the occurrence of an Issuer Event of Default, the Excess Proceeds.

"**Excess Proceeds**" means the amounts received by the OBG Guarantor as a result of any enforcement taken

against the Issuer in accordance with Article 4, Para. 3 of the MEF Decree.

"**Negative Carry Corrector**" means a percentage calculated by the Servicer that cannot be lower than 0.5 per cent.

"**Required Redemption Amount**" means in respect of any relevant Series or Tranche OBG, the amount calculated as follows:

the Outstanding Principal Balance of the relevant Series or Tranche of OBG

multiplied

(1 + (Negative Carry Corrector * (days to the Maturity Date (or the Extended Maturity Date if applicable) of the OBG/365))

plus and any *pro rata* cost expected to be incurred by the OBG Guarantor up to the last Maturity Date (or the Extended Maturity Date if applicable) with respect to that OBG.

Post-Guarantor Event of Default Priority

On each Guarantor Payment Date, following the service of a Guarantor Acceleration Notice, the OBG Guarantor will use the Available Funds, 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 (a) any Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

(ii) *second,* 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 OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the

Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any) and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third,* to pay, *pari passu* and *pro rata* any interest and principal amount due on the OBG;

(iv) *fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;

(v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);

(vi) *sixth,* after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan Agreement (or additional subordinated loan agreement), to pay *pari passu and pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);

(vii) *seventh,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any);

(viii) *eighth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the "**Post-Guarantor Event of Default Priority**" and, together with the Pre-Issuer Event of Default Principal Priority, the Pre-Issuer Event of Default Interest Priority, the Post-Issuer Event of Default Priority, are

collectively referred to as the "**Priority of Payments**").

4 Creation and administration of the Portfolio

Transfer of the Portfolio

Pursuant to the Master Transfer Agreement, the Seller (a) transferred to the OBG Guarantor the Initial Portfolio and (b) may assign and transfer Assets and/or Integration Assets satisfying the Criteria to the OBG Guarantor from time to time, on a revolving basis, in the cases and subject to the limits for the transfer of further Assets referred to below.

The Initial Purchase Price has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement the relevant parties thereto have acknowledged that the Initial Purchase Price shall be funded through the proceeds granted in accordance with the Subordinated Loan Agreement.

Pursuant to the Master Transfer Agreement, the OBG Guarantor shall acquire, further Assets or Integration Assets, as the case may be, in order to:

(a) collateralise and allow the issue of further series of OBG by the Issuer, subject to the Limits to the Assignment (the "**Issuance Collateralisation Assignment**"); and/or

(b) invest the Principal Available Funds through the purchase of further Assets or Integration Assets, provided that a Programme Suspension Period is not continuing (the "**Revolving Assignment**"); and/or

(c) comply with the Over-Collateralisation Test and the Mandatory Tests in accordance with the Portfolio Administration Agreement (the "**Integration Assignment**"), subject to the limits referred to in sub-section "*Integration Assets*" below.

The Assets and the Integration Assets will be assigned and transferred to the OBG Guarantor without recourse *(pro soluto)* in accordance with Law 130 and subject to the terms and conditions of the Master Transfer Agreement.

Pursuant to the Master Transfer Agreement, and subject to the conditions provided therein, the Seller has been granted with a call option and pre-emption right to repurchase Assets which have been assigned to the OBG Guarantor of the Assets forming part of the Portfolio.

Furthermore, the Seller has been granted by the OBG Guarantor with a wide power to renegotiate the terms and conditions of the Assets transferred pursuant to the Master Transfer Agreement.

Representations and Warranties of the Seller

Under the Warranty and Indemnity Agreement, the Seller has made certain representations and warranties regarding itself and the Assets 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 Assets, the absence of any lien attaching the Assets; subject to the applicable provisions of laws and of the relevant agreements, the full, unconditional, legal title of the Seller to the Initial Portfolio; 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 Initial Portfolio arises.

General Criteria

Each of the Mortgage Receivables comprised in the Portfolio shall comply with the following general criteria (the "**General Criteria**") as at the relevant Evaluation Date (to be deemed cumulative unless otherwise provided) (or at such other date specified below):

(i) mortgage loans in respect of which the ratio between loan's outstanding principal on the Evaluation Date and the value of the real estate upon which the guarantee has been created, calculated on the Execution Date or on the date of the apportionment (*frazionamento*) in case of loans arising from the apportionment (*frazionamento*) of a prior quota loan, is:

  (a) equal to or lower than 80 per cent. in case of Residential Mortgage Loans, or

  (b) equal to or lower than 60 per cent. in case of Commercial Mortgage Loans;

(ii) loans in respect of which the principal debtors (including further to a novation (*accollo liberatorio*) and/or apportionment (*frazionamento*)) are:

(a) in case of Residential Mortgage Loans, one or more individuals, of which at least one having his residence in Italy; or

(b) in case of Commercial Mortgage Loans, one or more entities, of which at least one being resident in Italy;

(iii) loans secured by a mortgage on real estates located in Italy in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage is elapsed on the Evaluation Date o prior to it;

(iv) loans which are governed by Italian law;

(v) loans denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro).

The Portfolio does not include Mortgage Receivables arising from:

(vi) loans granted to, or secured by, a public administration entity (*ente pubblico*)

(vii) loans granted to an ecclesiastic entity (*ente ecclesiastico*);

(viii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 of the Banking Act, as at the relevant Execution date.

The Mortgage Receivables to be comprised in the Portfolio shall comply also with the Specific Criteria in addition to the General Criteria.

"**Execution Date**" means the date on which the relevant loan agreement has been executed, without taking into account potential *accolli* or restructuring or *frazionamenti* that have been executed after such date.

"**Commercial Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to commercial or office use and located in an Eligible State.

"**Residential Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to residential use and located in an Eligible State.

"**Specific Criteria**" means the criteria for the selection of the Mortgage Receivables to be included in the

portfolios to which such criteria are applied, as set forth in annex 2 to the Master Transfer Agreement for the Initial Portfolio and in the relevant transfer agreement for sale of each further portfolio of Mortgage Receivables.

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

Eligible Investments

The Cash Manager may invest funds standing to the credit of the Eligible Investment Account in Eligible Investments.

"**Eligible Investments**" means (i) Euro denominated Integration Assets, (ii) Public Securities, (iii) ABS Securities and (iv) any other instruments meeting the requirements set out under the laws and regulations applicable from time to time to the OBG, in each case having a maturity not longer than (i) the Liquidation Date immediately preceding the OBG Payment Date of the Earliest Maturing Series or Tranche of OBG in case of Eligible Investments purchased with amounts deposited in the Principal Collection Account or (ii) the Liquidation Date immediately preceding the next Guarantor Payment Date in case of Eligible Investments purchased with amounts deposited in the Accounts (other than the Principal Collection Account).

Integration Assets

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

(i) deposits with banks residing in Eligible States; and

(ii) securities issued by banks residing in Eligible States with residual maturity not longer than one year.

The integration of the Portfolio through Integration Assets shall be allowed within 15 per cent. of the aggregate Outstanding Principal Balance of the Eligible Portfolio (in accordance with section II, para. 3, of the BoI OBG Regulations) (such limit, the "**Limit to the Integration**"). The integration of the Portfolio (whether through Integration Assets or through Assets) shall be allowed exclusively for the purpose of complying with the Mandatory Tests and the Over-Collateralisation Test or for the purpose of complying with the Limit to the Integration or for the purpose of perfecting a Revolving Assignment.

"**Eligible States**" shall mean any States belonging to

the European Economic Space, Switzerland and any other state attracting a 0 per cent. risk weight factor under the "standard approach" provided for by the Basel II rules.

Mandatory Tests under the MEF Decree

In accordance with the provisions of the MEF Decree, for so long as the OBG remain outstanding, the Issuer (also in its capacity as Seller) shall procure on a continuing basis and on each Calculation Date or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents that:

(i) the Outstanding Principal Balance of the Eligible Portfolio (net of any amount standing to the credit of the Accounts other than the Principal Collection Account) from time to time owned by the OBG Guarantor shall be higher than or equal to the Outstanding Principal Balance of the OBG at the same time outstanding;

(ii) the Adjusted Net Present Value of the Eligible Portfolio shall be higher than or equal to the Present Value of the outstanding OBG;

(iii) the Expected Income shall be higher than or equal to the Expected Payments,

the tests above are jointly referred to as the "**Mandatory Tests**".

The compliance with the Mandatory Tests will be verified by (i) the Calculation Agent and subsequently checked by the Asset Monitor pursuant to the Asset Monitor Agreement; and (ii) the internal risk management functions of the UniCredit Banking Group (under the supervision of the management body of the Issuer). For a detailed description of the Mandatary Tests (including a description of the defined terms used herein) see "*Credit Structure - Mandatory Tests*" below.

Over-Collateralisation Test

For so long as the OBG remain outstanding, the Issuer (also in its capacity as Seller), the Additional Sellers (if any) shall procure on a continuing basis and on each Calculation Date that the OC Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG.

"**Reconciliation Date**" means the last calendar day of each Collection Period.

Breach of the Mandatory Tests or of the Over-Collateralisation Test	A breach of the Over-Collateralisation Test or of the Mandatory Tests shall constitute an Issuer Event of Default to the extent that such breach has not been cured within Mandatory Test Cure Period or the OC Cure Period, respectively. In order to cure the breach of the Mandatory Tests and/or the Over-Collateralisation Test, the Issuer (also in its capacity as Seller) and the Additional Sellers (if any) (a) shall sell or procure a third party to sell Assets or Integration Assets to the OBG Guarantor in accordance with the Master Transfer Agreement and the Portfolio Administration Agreement in an aggregate amount sufficient to ensure that the relevant Mandatory Tests and/or the Over-Collateralisation Test are satisfied as soon as practicable and in any event within the Mandatory Test Cure Period and/or OC Cure Period (as applicable) and, to this extent, (b) shall grant the funds necessary for payment of the purchase price of the assets mentioned above to the OBG Guarantor in accordance with the Subordinated Loan Agreement (or, in the case of the Additional Seller pursuant to the terms of a subordinated loan granted to the OBG Guarantor in accordance with the Portfolio Administration Agreement).
Role of the Asset Monitor	The Asset Monitor will, subject to receipt of the relevant information from the Calculation Agent, test the calculations performed by the Calculation Agent in respect of the Over-Collateralisation Test, the Mandatory Tests on a monthly basis and more frequently under certain circumstances. The Asset Monitor will also perform the other activities provided under the Asset Monitor Agreement. See "*Description of the Transaction Documents - Description of the Asset Monitor Agreement*" below.
Sale of Assets following the occurrence of an Issuer Event of Default	Following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default), the OBG Guarantor shall direct the Servicer to sell all or part of the Selected Assets comprised in the Portfolio in accordance with the provisions of the Portfolio Administration Agreement, subject to any pre-emption right of the Seller and any Additional Seller (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale

shall be credited to the Principal Collection Account and invested in accordance with the terms of the Cash Management and Agency Agreement.

5 Key Features of the Transaction Documents

Master Transfer Agreement

Pursuant to the Master Transfer Agreement, the Seller (a) transferred to the OBG Guarantor, without recourse (*pro soluto*) and in accordance with Law 130, the Initial Portfolio and (b) agreed the terms upon which it may assign and transfer Assets and/or Integration Assets satisfying the Criteria to the OBG Guarantor from time to time, on a revolving basis, in the cases and subject to the limits for the transfer of further Assets described above. See "*Description of the Transaction Documents - Description of the Master Transfer Agreement*" below.

Warranty and Indemnity Agreement

On 13 January 2012, the Seller and the OBG Guarantor entered into a warranty and indemnity agreement (such agreement, as from time to time amended, the "**Warranty and Indemnity Agreement**"), pursuant to which, the Seller made certain representations and warranties in favour of the OBG Guarantor. See "*Description of the Transaction Documents - Description of the Warranty and Indemnity Agreement*" below.

Subordinated Loan Agreement

On 13 January 2012, the Seller and the OBG Guarantor entered into a subordinated loan agreement (such agreement, as from time to time amended, the "**Subordinated Loan Agreement**"), pursuant to which the Subordinated Loan Provider granted to the OBG Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to €10,000,000,000, save for further increases which may be granted unilaterally by the Subordinated Loan Provider. Under the provisions of such agreement, the Seller shall make advances to the OBG Guarantor in amounts equal to the relevant price of the Portfolios transferred from time to time to the OBG Guarantor, including the Integration Assets transferred in order to prevent a breach of the Over-Collateralisation Test or/and of the Mandatory Tests. The interest payable on the Subordinated Loan shall be an amount equal to the algebraic sum of:

(i) (+) the amount of interest accrued on the Portfolio during the relevant Interest Period of the

	Subordinated Loan; (ii) (-) (a) the sum of any amount paid under items from (i) to (vii) of the Pre-Issuer Event of Default Interest Priority or (b) following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the sum of any amount paid under items from (i) to (viii) of the Post- Issuer Event of Default Priority or (c) following the occurrence of a Guarantor Event of Default, the sum of any amount paid under items from (i) to (vi) of the Post-Guarantor Event of Default Priority, such amount is referred to as the "**Subordinated Loan Interest Amount**". See "*Description of the Transaction Documents - Description of the Subordinated Loan*" below.
OBG Guarantee	On 19 January 2012 the OBG Guarantor issued a guarantee securing the payment obligations of the Issuer under the **OBG** (the "**OBG Guarantee**"), in accordance with the provisions of Law 130 and of the MEF Decree. See "*General Description of the Programme - OBG Guarantee*" and "*Description of the Transaction Documents - Description of the OBG Guarantee*" below.
Servicing Agreement and Collection Policies	Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Portfolio, on behalf of the OBG Guarantor. For a description of the collection policies and procedures please see "*Description of the Transaction Documents - Description of the Servicing Agreement*" and "*Credit and Policies*" below.
Administrative Services Agreement	Pursuant to the terms of the Administrative Services Agreement, the Administrative Services Provider has agreed to provide the OBG Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers. See "*Description of the Transaction Documents - Description of the Administrative Services Agreement*" below.
Intercreditor Agreement	Pursuant to the terms of an intercreditor agreement entered into on 19 January 2012, as amended from time to time, (the "**Intercreditor Agreement**") between the OBG Guarantor, the Representative of the OBG Holders (in its own capacity and as legal representative of the

Organisation of the OBG Holders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Administrative Services Provider, the Account Bank, the Paying Agent, the Cash Manager, the Asset Monitor, the Portfolio Manager, the Calculation Agent and the Additional Calculation Agent (collectively, with the exception of the OBG Guarantor, the "**Secured Creditors**"), the parties thereto agreed that all the Available Funds of the OBG Guarantor will be applied in or towards satisfaction of the OBG Guarantor's payment obligations towards the OBG Holders as well as the Secured Creditors, in accordance with the relevant Priority of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the OBG Holders will, subject to a Guarantor Event of Default having occurred and a Guarantor Acceleration Notice having been served on the OBG Guarantor, ensure that all the Available Funds are applied in or towards satisfaction of the OBG Guarantee's payment obligations towards the OBG Holders as well as the Secured Creditors, in accordance with the Post-Guarantor Event of Default Priority provided in the Intercreditor Agreement.

The obligations owed by the OBG Guarantor to each of the OBG Holders and each of the Secured Creditors will be limited recourse obligations of the OBG Guarantor limited to the Available Funds. The OBG Holders and the Secured Creditors will have a claim against the OBG 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. See "*Description of the Transaction Documents - Description of the Intercreditor Agreement*" below.

Cash Management and Agency Agreement

Pursuant to the terms of a cash management and agency agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Issuer, the Cash Manager, the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the "**Cash Management and Agency**

	Agreement"), the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent and the Additional Calculation Agent will provide the OBG 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. See "*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*" below.
Asset Monitor Agreement	Pursuant to the terms of an asset monitor agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Asset Monitor, the OBG Guarantor and the Representative of the OBG Holders (the "**Asset Monitor Agreement**"), the Asset Monitor will conduct independent tests in respect of the calculations performed for the Over-Collateralisation Test or the Mandatory Tests with a view to verifying the compliance by the OBG Guarantor with such tests. See "*Description of the Transaction Documents - Description of the Asset Monitor Agreement*" below.
Portfolio Administration Agreement	Pursuant to the terms of a portfolio administration agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Issuer, the Seller, the Representative of the OBG Holders, the Calculation Agent, the Cash Manager and the Asset Monitor (the "**Portfolio Administration Agreement**"), the Seller has, *inter alia,* undertaken to ensure on an on-going basis that the Mandatory Tests and the Over-Collateralisation Test are complied with and has assumed certain obligations to sell further Assets and/or Integration Assets upon the occurrence of certain events. See "*Description of the Transaction Documents - Description of the Portfolio Administration Agreement*" below.
Quotaholders' Agreement	Pursuant to the terms of a quotaholders' agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Seller, SVM and the Representative of the OBG Holders (the "**Quotaholders' Agreement**"), the quotaholders of the OBG Guarantor have assumed certain undertakings in relation to the management of the OBG Guarantor. In

addition, pursuant to the Quotaholders' Agreement, SVM granted a call option in favour of the Seller to purchase from SVM and the Seller granted a put option in favour of SVM to sell to the Seller the quotas of the OBG Guarantor corporate capital held by SVM. See "*Description of the Transaction Documents - Description of the Quotaholders' Agreement*" below.

Deed of Pledge

Pursuant to the terms of a Italian law deed of pledge entered into on 19 January 2012 between, *inter alios*, the OBG Guarantor and the Representative of the OBG Holders (the "**Deed of Pledge**") the OBG Guarantor has pledged in favour of the OBG Holders and the other Secured Creditors all the monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the OBG Guarantor is entitled pursuant to or in relation with the Transaction Documents (other than the Conditions and the Deed of Pledge), excluding the monetary claims and rights relating to the amounts standing to the credit of the Accounts and any other account established by the OBG Guarantor in accordance with the provisions of the Transaction Documents. See "*Description of the Transaction Documents - Description of the Deed of Pledge*" below.

Dealer Agreement

Pursuant to the terms of a dealer agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Representative of OBG Holders and UniCredit Bank (the "**Dealer Agreement**"), the Issuer has appointed UniCredit Bank as Initial Dealer. The Dealer Agreement will contain, *inter alia,* provisions for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other dealers either generally in respect of the Programme or in relation to a particular Series. See "*Description of the Transaction Documents - Description of the Dealer Agreement*" below.

Subscription Agreement

The Dealer Agreement also contains a *pro forma* subscription agreement to be entered into in relation to OBG issued on a syndicated basis.

On or prior to the relevant Issue Date, the Issuer, the Dealers who are parties to such subscription agreement (the "**Relevant Dealers**") and the Representative of the

	OBG Holders will enter into a subscription agreement (each such agreement, as from time to time amended, a "**Subscription Agreement**"), under which the Relevant Dealers will agree to subscribe for the relevant Series or Tranche of OBG, subject to the conditions set out therein. See "*Description of the Transaction Documents - Description of the Subscription Agreement*" below.
Provisions of the Transaction Documents	The OBG Holders 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 OBG Holder, by reason of holding OBG, recognises the Representative of the OBG Holders as its representative and accepts to be bound by the terms of each of the Transaction Documents signed by the Representative of the OBG Holders as if such OBG Holder was a signatory thereto.

DESCRIPTION OF THE ISSUER

Description of UniCredit and the UniCredit Group

UniCredit S.p.A. ("**UniCredit**"), established in Genoa, Italy, by way of a private deed dated 28 April 1870 with a duration until 31 December 2100, is incorporated as a joint-stock company under Italian law, with registered office at Via A. Specchi 16, 00186, Rome, Italy and is registered with the Company Register of Rome under registration number, fiscal code and VAT number 00348170101. UniCredit is registered with the National Register of Banks and is the parent company of the UniCredit Group. UniCredit's head office and principal centre of business is at Piazza Cordusio, 20123, Milan, Italy, telephone number +39 028862 8715 (Investor Relations). The fully subscribed and paid-up share capital of UniCredit as at the date of this Prospectus amounted to €12,148,463,316.00.

The *Gruppo UniCredit*, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Italian Banking Act under number 02008.1 (the "**Group**" or the "**UniCredit Group**"), is a leading financial services group with a well-established network in 22 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European ("**CEE**") countries. As at 30 September 2011, UniCredit had representative offices and branches in 28 international markets and 160,552 full time equivalent employees. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*).

The Group is one of the leading banks in Italy, in terms of number of branches, and among the leading banks, in terms of total assets, in many of the CEE countries in which it operates.

HISTORY

Formation of the Group

The Group was initially formed as a result of the October 1998 business combination between the Credito Italiano national commercial banking group and the Unicredito group of regional savings banks. The business combination resulted in the creation of UniCredito Italiano S.p.A. ("**UniCredito Italiano**") and combined the product strengths and complementary geographic coverage of these two leading Italian banking groups in order to compete more effectively in the Italian and European banking and financial services markets.

Since its formation, the Group has continued to expand in Italy and Central and Eastern Europe through both organic growth and acquisitions, including, among others, the acquisitions of certain interests in and/or control of Bank Polska Kasa Opieki S.A.

("**Bank Pekao**") in Poland in 1999; Splitska Banka D.D. in Croatia, Pol'nobanka A.S. (today "**UniBanka A.S**") in Slovakia and Bulbank A.D. in Bulgaria in 2000; Zagrebacˇka Banka D.D. ("**Zagrebacˇka**") in Croatia, Demirbank Romania S.A. in Romania and Koç Finansal Hitzmetler A.S. in Turkey in 2002; Zivnostenska Banka a.s. in the Czech Republic in 2003; Yapi Kredi in Turkey in 2005; and San Menkul Değerler A.Ş. in Turkey in 2008.

In October 2000, the Group acquired the Global Investment Management division of the U.S.-based Pioneer group ("**Pioneer**"). Following this acquisition, the Group consolidated its asset management businesses under a newly formed holding company named Pioneer Global Asset Management S.p.A. ("**PGAM**") with interests in Pioneer Investment Management SGRp.A., Pioneer Investment Management Ltd., Pioneer Asset Management SA and Pioneer Investment Management USA, Inc.

From 2005, the Group significantly expanded its international operations, mainly in Germany, Austria and Central and Eastern Europe, through the business combination with Bayerische Hypo- und Vereinsbank AG ("**HVB**"). See "—The Business Combination with the HVB Group".

In August 2007, Bank Austria acquired the brokerage business of the Russian broker, Aton Capital Group, for the purpose of entering the Russian brokerage and investment banking market.

In 2007, HVB transferred an approximately 70 per cent. interest in International Bank Moscow (subsequently renamed "**Zao UniCredit Bank**"), to Bank Austria, which acquired, between the end of December 2006 and the beginning of January 2007, the interests of minority shareholders, thereby becoming the sole shareholder of Zao UniCredit Bank, one of the top ten Russian banks in terms of total assets.

In May 2007, UniCredit's Board of Directors approved the merger of Capitalia S.p.A. ("**Capitalia**") into UniCredito Italiano, which became effective as of 1 October 2007. See "—The Business Combination with the Capitalia Group".

In October 2007, PGAM signed a joint venture agreement with Bank of Baroda in India in order to extend its presence to one of the world's fastest growing mutual fund markets. Pursuant to this agreement, in 2008 PGAM purchased a 51 per cent. interest in the share capital of BOB Asset Management Company Ltd., which subsequently changed its company name to Baroda Pioneer Asset Management Company Ltd.

In November 2007, Bank Austria acquired a 91.8 per cent. interest (later increased to 99.70 per cent.) in JSC ATF Bank.

In 2007 and 2008, the Group also reorganised its operations in some Central and Eastern European countries (Slovakia, Bulgaria, Romania, the Czech Republic and Bosnia Herzegovina) where, as a result of the HVB business combination, it had a number of subsidiaries.

In January 2008, Bank Austria finalised the acquisition of 94.2 per cent. (later increased to 95.34 per cent.) of the total issued share capital of JSCB Ukrsotsbank, the fourth largest bank listed on the Ukrainian stock exchange in terms of deposits and loans.

In May 2008, the UniCredito Italiano extraordinary shareholders' meeting changed the name of UniCredito Italiano to UniCredit S.p.A.

In the first few months of 2009, the Group integrated the ICT and back office activities of HVB and Bank Austria into, respectively, UniCredit Global Information Services S.p.A. and UniCredit Business Partner S.p.A. (subsequently transformed into a joint stock consortium).

In January 2009, mortgages to individuals and consumer credit in Italy, previously provided by Fineco Prestiti S.p.A., were integrated through the incorporation of UniCredit Banca per la Casa S.p.A. into UniCredit Consumer Financing Bank S.p.A. (now UniCredit Family Financing Bank S.p.A., "**UniCredit Family Financing Bank**") and a new model for leasing management at the Group level was realised through the incorporation of UniCredit Global Leasing S.p.A. into Locat S.p.A. (now UniCredit Leasing S.p.A., "**UniCredit Leasing**").

In April 2009, in order to create a partnership with one of the main operators in the real estate sector, Pioneer Investment Management SGR S.p.A. ("**PIM SGR**"), a wholly-owned subsidiary of PGAM, acquired an equity interest of 37.5 per cent. in Torre SGR S.p.A. (a real estate fund management company under the Fortress Investment Group LLC, an alternative management company listed on the New York Stock Exchange). The acquisition was carried out through a capital increase reserved to and fully subscribed by PIM SGR by contribution in kind of its real estate funds business unit.

In January 2009 and 2010, UniCredit carried out two capital increases for approximately €3 billion and €4 billion, respectively. These capital increases were aimed at strengthening the Group's capital base. Mediobanca – Banca di Credito Finanziario S.p.A. underwrote 967,564,061 ordinary shares in connection with the 2009 Capital Increase and granted UniCredit a usufruct right over such shares which were used to back the issuance of convertible and subordinated hybrid equity-linked securities ("**CASHES**"). For further information, see "– Recent Developments – Contracts Relating to CASHES".

In March 2010, UniCredit, together with the Italian Ministry of Economy and Finance, Cassa Depositi e Prestiti S.p.A., Intesa Sanpaolo S.p.A., Monte dei Paschi di Siena S.p.A., the Associazione Bancaria Italiana and the Confederazione Generale dell'Industria Italiana, launched Fondo Italiano di Investimento SGR S.p.A., an Italian investment fund for small and medium enterprises.

On 15 November 2011, UniCredit ceased its cash equities and equity research activities in Western Europe and entered into an exclusive strategic alliance with Kepler Capital Markets S.A. ("**Kepler**") for cash equity research and execution services in Western Europe. The strategic alliance is subject to regulatory approval.

The Business Combination with the HVB Group

On 12 June 2005, UniCredit entered into a business combination agreement (the "**BCA**") with HVB relating to the combination of the UniCredit Group with the HVB group, the transaction structure and the future organisational and corporate governance structure of the combined group. At the time of the BCA, HVB owned a 77.53 per cent. interest in Bank Austria and, indirectly through Bank Austria, a 71.03 per cent. interest in Bank BPH S.A., a Polish listed bank ("**BPH**"). The BCA provided for the terms and conditions of three public exchange offers in Germany, Austria and Poland for all outstanding shares of HVB, Bank Austria and BPH. The BCA terminated on 17 November 2010.

HVB (Now Renamed UniCredit Bank AG)

On 26 August 2005, UniCredit launched a public tender offer to acquire all of the common shares and all of the preferred shares of HVB. At the conclusion of the offer, UniCredit controlled approximately 93.93 per cent. of the registered share capital and voting rights of HVB. UniCredit's ordinary shares were admitted to trading on the Frankfurt Stock Exchange in November 2005.

On 9 January 2007, HVB transferred its 77.53 per cent. interest in the share capital of Bank Austria to UniCredit (which already held a 17.5 per cent. interest in Bank Austria). HVB then transferred its 100 per cent. interest in the share capital of HVB Ukraine to Bank Pekao.

On 23 January 2007, UniCredit initiated procedures to effect the squeeze-out of minority shareholders of HVB. At that time, UniCredit held 95.45 per cent. of the share capital of HVB. Despite challenges by shareholders of HVB, the squeeze-out of HVB's minority shareholders was resolved upon by the bank's shareholders' meeting in June 2007 and was registered with the Commercial Register of Munich on 15 September 2008. The squeeze-out price was €38.26 per HVB share, for a total consideration of approximately €1,398 million. The HVB shares held by the minority shareholders were transferred to UniCredit by act of law, and HVB became UniCredit's wholly owned subsidiary. Proceedings as to the adequacy of the squeeze-out price are still pending. For further information, see "– Additional Relevant Information".

On 15 December 2009, HVB changed its name to UniCredit Bank AG.

In the first half of 2010, UCB AG acquired the majority of Bank Austria's subsidiary UniCredit CAIB AG. On 1 July 2010, UniCredit CAIB AG merged into UCB AG, becoming UCB AG's Austrian branch.

Bank Austria

On 26 August 2005, UniCredit published an offer document for the purchase of all bearer shares without par value and all registered shares of Bank Austria that HVB did not hold at the time. At the conclusion of the offer, the Group held 94.98 per cent. of the aggregate share capital of Bank Austria.

On 4 August 2006, the Board of Directors of UniCredit and the supervisory board of Bank Austria approved a reorganisation plan of the Group's subsidiaries in Central and Eastern Europe, for the purpose of making Bank Austria the sub-holding for the Group's banking subsidiaries in CEE countries except Poland and Ukraine.

Following completion of the contribution in kind, UniCredit's direct and indirect interest in Bank Austria increased from 94.98 per cent. to 96.35 per cent.

Subsequently, HVB transferred its 77.53 per cent. interest in Bank Austria to UniCredit and its 100 per cent. participation in HVB Ukraine to Bank Pekao.

On 23 January 2007, UniCredit initiated procedures to effect the squeeze-out of minority shareholders of Bank Austria. At that time, UniCredit directly held 96.35 per cent. of the share capital of Bank Austria. The shareholders' meeting on 3 May 2007 approved the squeeze-out transaction of Bank Austria. Subsequently, and as a consequence of settlement procedures with certain shareholders of Bank Austria who challenged the squeeze-out resolution, the squeeze-out was registered with the Vienna Commercial Register on 21 May 2008 and UniCredit became the owner of 99.995 per cent. of Bank Austria's share capital while the remaining 0.005 per cent. (equal to 10,100 shares) was held by AVZ and BR-Funds. Proceedings as to the adequacy of the squeeze-out price are still pending. See ''—Additional Relevant Information''.

On 27 September 2008, Bank Austria changed its legal name to UniCredit Bank Austria AG ("**BA**" or "**Bank Austria**").

In March 2010, BA carried out a €212 million capital increase, resulting in an increase of its equity in an amount of €2 billion (€212 million paid as the subscription price and €1.79 billion paid as capital surplus). Consequently, UniCredit's interest in BA increased to 99.996 per cent..

BPH

On 20 January 2006, UniCredit communicated to the Polish Securities and Exchange Commission, the Warsaw Stock Exchange and the Polish Press Agency its mandatory public tender offer for the shares (representing 28.97 per cent. of the share capital) of BPH that it did not already own. Upon expiry of the acceptance period, no BPH shares had been tendered in the offer.

In November 2006, Bank Austria transferred its 71.03 per cent. interest in BPH to UniCredit, for allocation to the newly constituted Poland Market business segment. The long-term objective of the Poland Market business segment was to maximize the creation of value in the Polish market pursuant to the spin-off of a part of BPH to Bank Pekao. Such spin-off was finalised in November 2007. In addition, following regulatory approval, in December 2007, UniCredit's ordinary shares commenced trading on the Warsaw Stock Exchange.

On 17 June 2008, in order to facilitate the merger process between Bank Pekao and BPH, UniCredit transferred its 65.9 per cent. shareholding in BPH to GE Money Bank, a Polish bank belonging to the global consumer lending division of General Electric. Prior

to the sale, UniCredit held 71.03 per cent. of the share capital of BPH. UniCredit's remaining approximately 5.1 per cent. stake in BPH was subsequently sold to DRB Holding B.V. (a General Electric group company) in September 2009. In addition, in the context of the transaction, on 18 June 2008, CABET Holding, a company controlled by BA, sold 49.9 per cent. of its stake in BPH TFI (a company operating in the asset management sector) to GE Capital Corporation.

The Business Combination with the Capitalia Group

On 20 May 2007, the Board and Capitalia's Board of Directors approved the merger of Capitalia (holding company of several banks including Banca di Roma S.p.A., Banco di Sicilia S.p.A., Bipop Carire S.p.A., FinecoBank S.p.A. and MCC S.p.A.) into UniCredit (the "**Merger**"), which was subsequently approved by the shareholders' meetings of both UniCredit and Capitalia on 30 July 2007. The Merger was effected by way of incorporation of Capitalia into UniCredit. As a consequence, Capitalia ceased to exist and all of its assets, rights and obligations were transferred to UniCredit as of 1 October 2007.

In 2008, Capitalia's various businesses were brought into line with the Group's model through:

- the reorganisation of the Italian Retail segment into three network banks with specific regional competences;
- the transfer of Capitalia's corporate and private banking assets to the corresponding Group banks, which are specialised according to customer segments in line with the divisional Group model;
- the reorganisation and integration of real estate, internal audit, IT and back office operations; and
- the sale of branches in compliance with the order issued by the Italian Competition Authority (the "**AGCM**") upon release of its authorisation of the Merger.

In addition, on 17 March 2010, UniCredit sold its entire stake in Assicurazioni Generali, through its subsidiary UniCredit Bank Ireland Plc., as required by the AGCM in its approval of the Merger.

Project One4C

On 13 April 2010, the Board approved the Group's ONE4C project (the "**One4C Project**"). The objective of the One4C Project was to achieve greater customer satisfaction.

In particular, the Board approved the mergers of UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank and UniCredit Bancassurance Management & Administration S.c.r.l. into UniCredit (together the "**One4C Mergers**"). Also on 13 April 2010, the Board appointed a Country Chairman responsible for all banking

activities in Italy, creating a structure similar to the one already existing in Austria, Germany and Poland.

The One4C Project established four specialised client segments: Families, Small and Medium-sized Enterprises, Corporate Banking and Private Banking. The One4C Project also established three specialised Italian sales networks dedicated to servicing:

(a) approximately 8 million customers with deposits up to €500,000 and 1 million firms with annual turnover up to €50 million (F&SME);

(b) over 19,000 firms with annual turnover greater than €50 million (CIB); and

(c) over 160,000 customers with deposits greater than €500,000 (Private Banking).

In addition, Italy was divided into seven geographical areas. A manager was appointed to cover each geographical area and act as the point of contact for local institutions.

On 15 June 2010, the Bank of Italy authorised the One4C Mergers. The merger deed relating to the One4C Mergers was executed on 19 October 2010, and on 1 November 2010 the One4C Mergers became effective and UniCredit commenced its direct banking activities.

Rationalisation of the Companies and Support Units Providing Global Banking Services to the Group

At the end of 2010, the Group began rationalising its businesses that provide Global Banking Services ("**GBS**") to the Group (the "**Rationalisation Project**").

The Rationalisation Project supports the Group's need to respond more swiftly and consistently to the requests of Group customers (internal and external) by:

- simplifying GBS and making it more efficient by, among other things, reducing the number of legal entities providing GBS and maximising economies of scale;
- increasing the transparency of the costs of GBS; and
- improving the innovativeness, quality and risk management of GBS by creating operating units that focus on an end-to-end strategy.

UniCredit Global Information Services ("**UGIS**"), which has been renamed UniCredit Business Integrated Solutions ("**UBIS**"), will operate as the Group's sub-holding and provide GBS to the Group.

The Rationalisation Project will be carried out through the gradual reorganisation of the companies and support units providing GBS to the Group. Aside from the merger of Quercia Software S.p.A. into UGIS, which took place on 1 June 2011, the Rationalisation Project will be carried out in two phases:

- the first aims to consolidate the Group's GBS in Italy, by means of the merger by incorporation of UniCredit Real Estate ("**UCRE**") and UniCredit Business Partner ("**UCBP**") into UniCredit and UGIS, respectively, with effect from 1 January 2012 and the consolidation into UGIS of the going concerns of UniCredit

designated "*ICT, Security, Global Sourcing and Operations*" and "*Real Estate General Services*" as well as the rationalisation and alignment of the activities "*ICT, Back Office and Middle Office, Real Estate, Security and Global Sourcing*" in Germany and Austria; BaFin contested the transfer of the stake in UGBS GmbH to UBIS and the operation is now subject to an internal review; and

- the second (to be carried out presumably by the first half of 2012) aims to complete the consolidation of the Group's GBS abroad.

In order to rationalise other operations carried out by UniCredit and UCBP by optimising operating costs and processes, the Group has begun the transfer of certain divisions in order to centralize:

- in UniCredit, the activities concerning regular reporting to the local Supervisors ("**Supervisory Reporting Division**"), currently in UCBP; and
- in UCBP (or in UBIS), the operational activities of back-office administration and accounting related to consumer credit products and personal loans secured on one-fifth of net income ("**Operations Division**"), currently in UniCredit.

On 22 March 2011 in order to increase the commercial efficacy of UniCredit's relationship with "Private" clients, through better Group level control of portfolio management, the Board approved a partial spin off in favour of UniCredit of the going concern related to the segregated accounts of private banking clients of Pioneer Investment Management SGR ("**PIM**"). The Bank of Italy issued its authorisation for the spin off on 27 June 2011. The Board and the shareholders of PIM each approved the spin off on 3 August 2011 and 20 July 2011, respectively. The spin off is expected to be effective starting from 1 January 2012.

THE CURRENT ORGANISATIONAL STRUCTURE

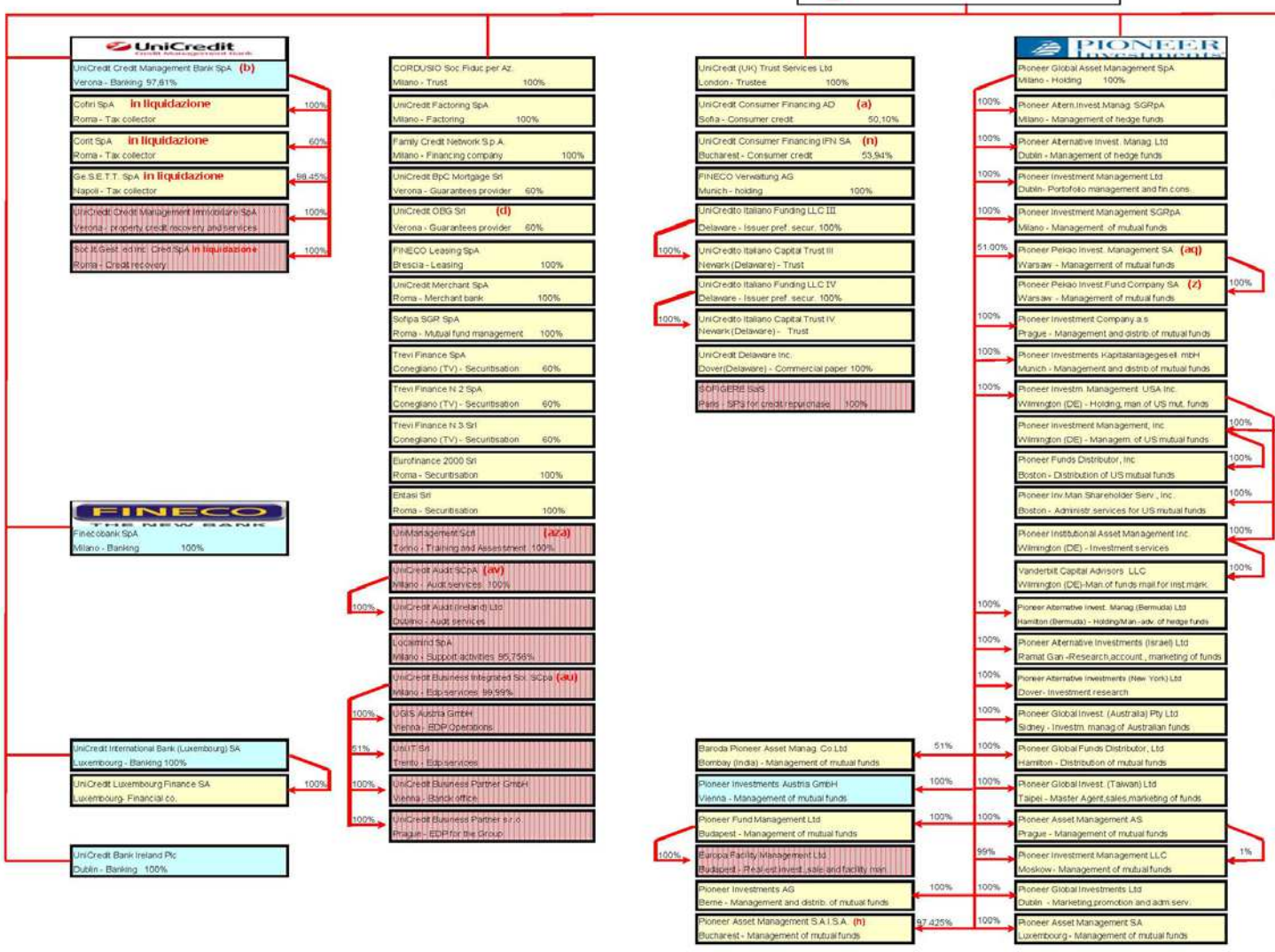
UniCredit is the parent company of the UniCredit Group and, in addition to banking activities, it carries out guidance, governance and control functions in respect of its subsidiary banking, financial and instrumental companies.

UniCredit undertakes management and co-ordination activities for the UniCredit Group pursuant to Article 61 of Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**") and in this role issues instructions to other members of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interests of the Group's stability.

The following diagram illustrates the main banking group companies as at 12 January 2012:

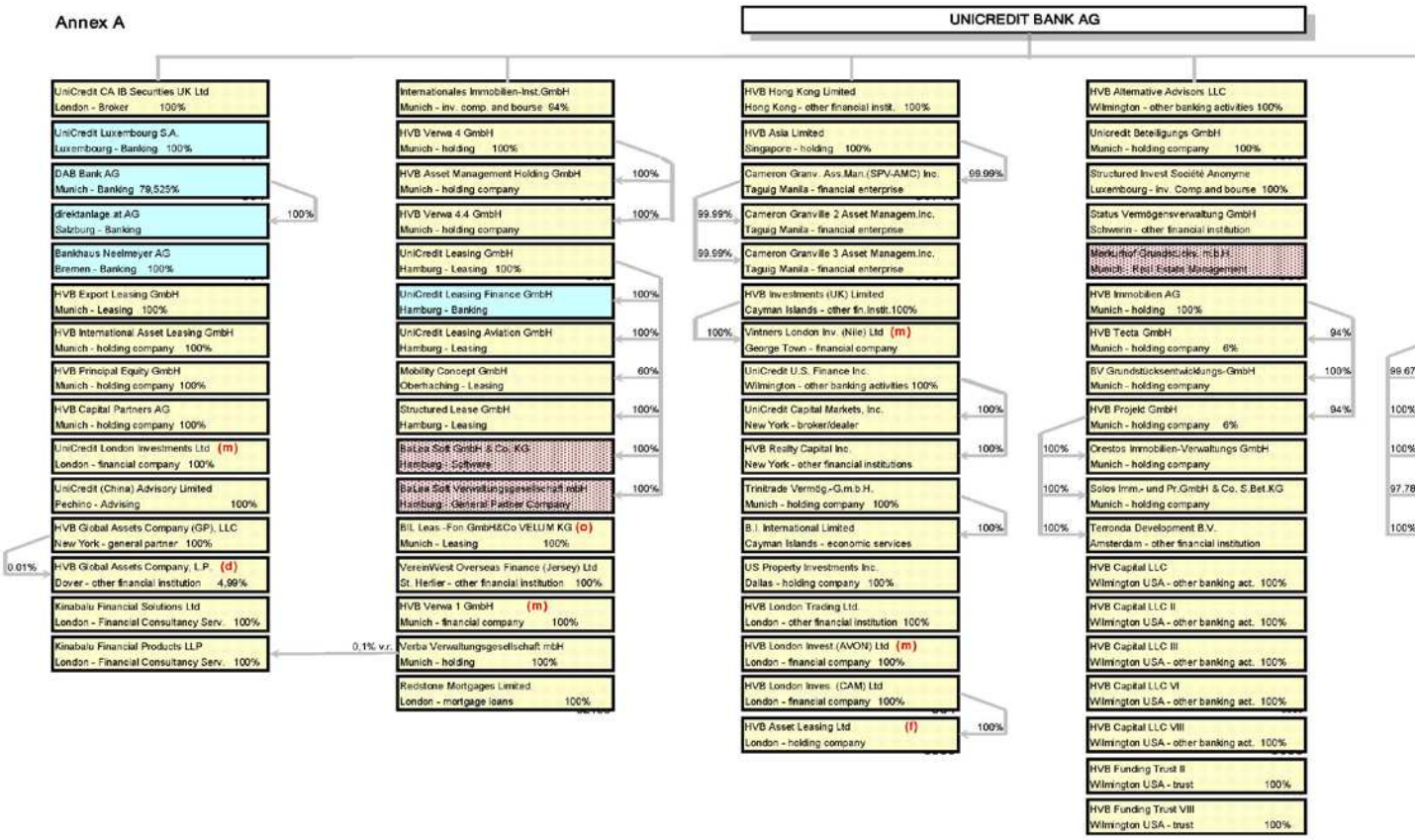
Banking Group (cod. 2008.1)

Chart del Gruppo Bancario UniCredit - Banking Group Chart



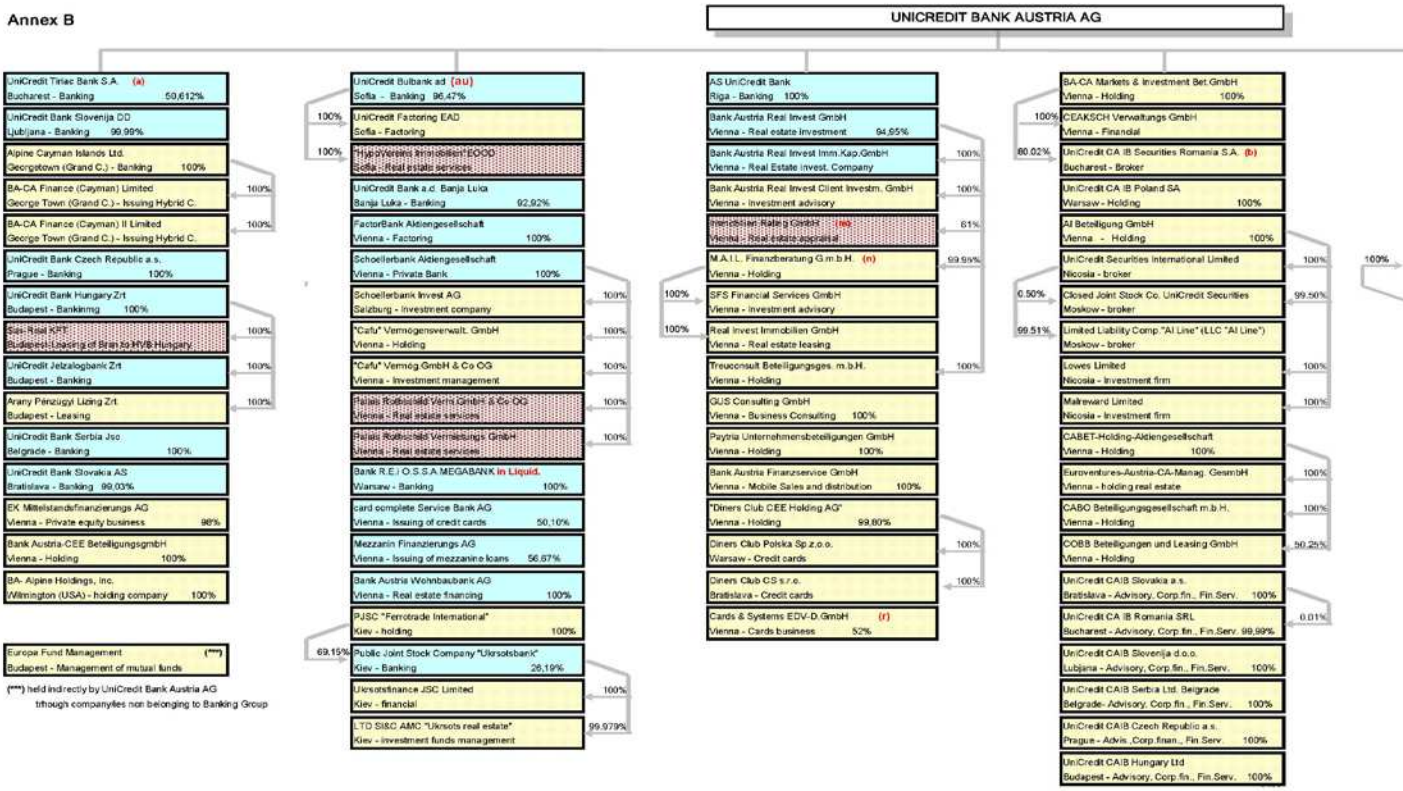
(a) 49,9% held by UniCredit Bulbank AD (b) # 175.000 shares owned by UniCredit Credit Management Bank SpA (d) to be included in the Banking Group (e) 8,8% held by UniCredit Leasing CZ a.s. (8168), 19,90% held by UniCredit Bank Slovenija DD (370 BA) (h) 2,575% held by UniCredit Tiriak Bank SA (10028) (l) 20% held by UniCredit Tiriac Bank (10028) (m) 21,47% UniCredit Leasing (Austria) GmbH (6193 BA) and 2,39% held by UniCredit Tiriac Bank SA (o) 24,37% held by UniCredit Bulbank AD (10073) (p) 50% owned directly by UniCredit (t) UniCredit Tiriac Bank holds one share of the company (u) 5% held by BA Eurolease Beteiligungsgesellschaft m.b.H by UniCredit Leasing SpA (am) held 100% by # 10040 LF Beteiligungen GmbH (ao) held 100% by # 8424 BACA Leasing Und Beteiligungsmanagement GmbH (aq) 49% held by Bank Pekao SA (ar) 35% held by Pioneer G UniCredit Bank (10286 BA) (au) Other companies belonging to UniCredit Group and third parties hold 10/20 shares of the company (av) Other companies belonging to UniCredit Group and a third party hold 20/40 shares o (aza) 10 shares held by UniCredit Global Information Services Scpa

Annex A



(d) HVB has the power to nominee all Members of the Board (h) to be included in the Banking Group (m) not operative (n) 10% held by HVBFF Objekt Beteiligungs GmbH (3631) (o) Voting rights held by UCB A
Verwaltungs GmbH (33,33%)

Annex B



a) % considering shares held by other Companies controlled by BA **b)** 19,98%, held by UniCredit Tiriac Bank SA (10026) **(e)** to be included in the Banking Group **(m)** 19% held by BA and 19% held by UniCredit Leasing (Austria) G Beteiligungsgesellschaft m.b.H. (81) **(q)** 100% voting rights held by Gründerfonds GmbH (9631) **(r)** 5% held by card complete Service Bank AG (62), 1% held by Diners Club CEE Holding AG (6338) **(ad)** 0,1% held by My Drei Har voting rights **(au)** 0,004% held by UniCredit **(zz)** not operative

STRATEGY OF THE GROUP

As the parent company of the Group, pursuant to the provisions of Article 61 of the Italian Banking Act and in compliance with local law and regulations, UniCredit undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

UniCredit engages in the following main strategic functions:

- managing the Group's business expansion by developing appropriate domestic and international business strategies and overseeing acquisitions, divestitures and restructuring initiatives;
- defining objectives and targets for each area of business and monitoring performance against these benchmarks;
- defining the policies and standards relating to the Group's operations, particularly in the areas of credit management, human resources management, risk management, accounting and auditing;
- managing relations with financial intermediaries, the general public and investors;
- managing selected operating activities directly or through specialised subsidiaries in order to achieve economies of scale, including asset and liability management, funding and treasury activities and the Group's foreign branches; and
- directly managing business operations in Italy from 1 November 2010, following absorption of the Group's Italian banks[1] pursuant to the One for Clients Programme

Furthermore, UniCredit intends to create value by pursuing the following principal strategic initiatives at the Group level:

- leveraging on its business model based on diversification both geographically and in terms of business;
- further increasing cost efficiency and simplification in Group structure and intra-group services;
- leveraging on global product lines throughout the Group's commercial networks;
- optimising the return on risk-weighted assets, while strengthening the Group's capital ratios, through a highly selective investment policy and a strong focus on risk-monitoring processes;
- strengthening profitability and cost control in Western Europe with a constant and strong commitment to support both families and companies;

[1] *UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank, UniCredit Bancassurance Management & Administration.*

- further strengthening the Group's results in Central and Eastern Europe while keeping risks under strict control; and
- greater focus on customers' needs and increased proximity to local markets.

The principal strategic objectives of each of the UniCredit Group's business segments are as follows[2]:

- **Families & SME**: to enable individuals, families, small business customers and small and medium enterprises (**SME**) to satisfy their financial needs by offering them a complete range of high quality, reliable products and services at competitive prices. The Families & SME Division's strength stems from several sources, the two main drivers being the expertise of our people and the focus centred on customer satisfaction throughout the organisation. Families & SME is also leveraging on its international geographical presence by providing state of the art cross border business services with dedicated desks to the customers. The Families & SME Division carries out its specialised product offer and cross border marketing functions with the primary objective of achieving a true European Families & SME strategy, based on:
  - excellent quality products and services that are reliable and transparent and that meet financing and investment needs, leveraging among other things on specialised product "factories" (e.g. UniCredit Leasing, UniCredit Factoring);
  - transnational services with a good quality to price ratio given the value gained;
  - satisfaction of customers' needs at the nearest service point and with a differentiated approach according to service model, depending on segment, type of customer and relevant channel;
  - greater focus on customer satisfaction at all levels of the Division;
- **Corporate & Investment Banking (CIB)**: to support the growth and internationalisation efforts of the UniCredit Group core corporate and institutional clients, leveraging on an unmatched customer proximity and exploiting, by means of its distribution capabilities, the excellence of its product lines and coordinating in a highly synergic manner the origination, execution and management competences of its coverage units and product lines. In particular, CIB's objectives are:
  - to become the point of reference for the corporate clients that operate in the Group core markets, by engineering and distributing high added value standard products and tailor-made solutions, promoting the diffusion of

[2] *The composition of the business segments presented in this section is in line with the current management reporting of the Group's results at 30 September 2011.*

know-how on specialised products and the development of global businesses; and

- to consolidate its position as a leading European regional specialist in global financial markets and investment banking services, primarily focusing on the countries where the Group is active;

- **Private Banking**: to establish a pan-European platform offering sophisticated high-value added services to high-net-worth individual customers. Private Banking can leverage on well established networks in Germany, Italy, Austria, Poland and on an international competence centre in Luxembourg;

- **Asset Management**: in 2010 UniCredit started a project of strategic review to identify the best strategic option to improve the efficiency of Pioneer Investments and to maximise value for both clients and shareholders. Following a deep analysis of all benefits tied to each possible strategy for its own asset management, on 21 April 2011 UniCredit announced that organic growth is the best strategic solution for Pioneer Investments. Hence Pioneer Investments is currently working on the implementation of a strategic plan recently approved which will further enhance the quality of Pioneer Investments' product offering while maintaining focus on delivering an outstanding level of client service; and

- **Central and Eastern Europe (CEE)**: to continue to focus on organic growth while strengthening both risk control and efficiency. In the CEE region, UniCredit relies on the extension of business platforms, know-how and best practices developed within the Group, which, combined with a strong knowledge of local markets, enables UniCredit to offer state of the art products and services to its individual, corporate, private banking and institutional customers. The business platforms of Asset Management, Leasing and Global Transaction Banking reach almost full coverage in the region.

BUSINESS AREAS

Brief descriptions of the business segments through which the UniCredit Group operates are provided below.

Family & Small/Medium Enterprise ("F&SME")

The F&SME sector consists of five business lines: (i) F&SME Network Italy, (ii) F&SME Network Germany, (iii) F&SME Network Austria, (iv) F&SME Network Poland and (v) F&SME Network Factories. Such business lines aim primarily to satisfy their clients' needs, being their preferred banking partner. With respect to business segments within the F&SME sector, in order to best serve the particular needs of its diverse customers, the Group subdivides its clientele into four sub-segments:

- mass market, which includes clientele with assets of up to €75,000;

- affluent, which includes clientele with assets between €75,000 and €500,000;

- small enterprises, which includes professionals and firms with turnover of up to €5 million; and
- medium enterprises, which includes firms with turnover of up to €50 million (which were previously served by the Corporate & Investment Banking business segment).

In addition, the F&SME Network Factories component of the F&SME sector operates through the following four product and service lines:

- Product Line Consumer Finance, which specialises in consumer credit and supports banking network activities in Italy, Germany, Poland, Romania, Bulgaria and Russia with solutions capable of meeting the multiple financing requirements of families (loans and "revolving" cards);
- Product Line Leasing, which is responsible for coordinating all activities for the structuring, pricing and marketing of leasing products in the Group with its own distribution network, which supports the Group's banking network in providing corporate financing solutions;
- Product Line Factoring, which is responsible for coordinating all Group activities related to the provision of factoring services, consisting of extending credit against commercial invoices assigned by customers. Through factoring, companies may obtain access to credit and benefit from a series of additional services, including management, collection and credit insurance; and
- Asset Gathering, which specializes in deposit taking from private retail customers through direct channels and financial advisers. Asset Gathering operates through FinecoBank S.p.A. ("**FinecoBank**") in Italy, DAB Bank ("**DAB Bank**") in Germany and Direktanlage.at AG ("**DAB.at**" and together with DAB Bank, the "**DAB group**") in Austria, which provide all banking and investment services generally offered by traditional retail banks. These banks differentiate themselves by their focus on technological innovation, mainly through their development of innovative businesses such as online trading. In addition, these banks rely on their own sales network of financial advisors as a means of offering their financial services to its customers.

Among its various activities, the F&SME business segments also act as "factory" for the promotion and management of bancassurance services in all geographic areas, including the countries of the CEE business segment.

Corporate & Investment Banking ("CIB")

The CIB division targets UniCredit Group corporate clients (with a turnover in excess of €50 million) and institutional clients in the 22 countries in which the Group operates, and supports such clients with their growth, internationalisation projects and restructuring phases. In addition, the CIB division provides corporate clients with

advanced services in connection with their operations in global financial markets and their involvement in investment banking transactions.

The organisational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks (Italy, Germany, Austria and Poland)) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).

The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany, CIB Network Austria and CIB Network Poland) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of dedicated financial products and services, ranging from traditional lending and merchant banking services to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial market.

The three Product Lines supplement and add value to the activities of the commercial networks and the marketing of the relevant products. The Product Lines are broken down as follows:

- ***Financing & Advisory ("F&A")***

  F&A is the center for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a broad variety of services ranging from plain vanilla products and standardised products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance & Advisory, Syndications, LBO, Project & Commodity Finance, Real Estate Finance, Shipping Finance and Principal Investments.

- ***Markets***

  Markets is the center for all financial markets activities across the UniCredit Group's businesses and serves as the Group's access point to capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralised Product Line, it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, rates, equities and credit-related activities.

- ***GTB***

  GTB is the center for cash management and e-banking products, supply chain finance and trade finance products, structured trade & export finance operations and global securities services. This international business area, targeting corporate and institutional clients, has operations in 22 countries with a sales organisation comprising around 2,000 dedicated specialists and over 4,000 correspondent banks.

Private Banking

The Private Banking Division primarly targets medium to high-net-worth clients and aims to be the trusted private banker of families, entrepreneurs and self-employed professionals (generally clients holding financial assets over €500,000). It operates in five countries (Italy, Germany, Austria, Luxembourg, and Poland) through a network of more than 1,200 private bankers located in about 250 branch offices.

The Division offers high-value-added advisory services and solutions based on long-standing local relationships managed by private bankers with consolidated professional expertise and on the Group's international know-how. Its strength is the ability to use a 360-degree approach to protect and increase wealth, to maximise the value of all kinds of assets by recourse to an independent selection of a wide range of financial and non-financial products and services, jointly with accurate risk monitoring and management.

Asset Management

Asset Management operates in Italy as well as globally through PGAM, the sub-holding for the business segment. The business segment acts as a centralised product factory for the development of Asset Management in all of the geographic areas in which the Group operates. In addition, the business segment directs, supports and supervises the development of local business at a regional level.

During 2010, UniCredit commenced a strategic review of PGAM's activities with a view to developing a strategy to improve the efficiency of its asset management operations and to optimise its value for the benefit of its customers and its shareholders. Following an in-depth analysis of various strategic options taking account of recent market trends, the Group adopted a strategy of cultivating organic growth by improving product ranges and maintaining the high quality of services provided to customers.

Leveraging on different investment partnerships with third-party financial institutions on an international level, Asset Management offers a wide range of innovative financial products to private and institutional clients, including mutual funds, hedge funds, asset management, institutional investor portfolios and structured products.

As of date of this Prospectus, UniCredit is in the process of acquiring the private client asset management business division from PIM.

CEE

The Group operates, through the CEE business segment, in 18 Central and Eastern Europe countries, including Azerbaijan, Bosnia Herzegovina, Bulgaria, the Czech Republic, Croatia, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. The CEE business segment operates through approximately 2,835 branches and offers a wide range of products and services to retail, corporate and institutional clients in such countries. BA manages this segment and acts as sub-holding for the banking operations in the CEE countries.

The UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.

With respect to corporate clients, the UniCredit Group is constantly engaged in standardising the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Group Corporate Center

The Group Corporate Center includes:

- ***GBS***

  GBS supports the sustainable growth of the business segments by ensuring the efficiency of internal processes, with a particular emphasis on cost control and the centralisation of services. The main areas of GBS's responsibility are ICT, Operations & Workout, Organisation, Real Estate, Procurement, Security, Technical Training, Management Consultancy and Identity & Communications. In November 2010, the Group introduced the position of Group Chief Operating Officer ("**COO**"), which is responsible for the activities of GBS and HR Management; and

- ***Corporate Center***

  The Corporate Center's objective is to guide, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence.

PERFORMANCE OF THE UNICREDIT GROUP

The following table summarises key financial Group consolidated figures split by business contribution at 30 September 2011. The breakdown of profit and loss figures by business segment given below is in line with the management reporting of Group results at 30 September 2011.

	Unaudited nine months ended 30 September 2011					
Euro million %	**Operating Income**	**per cent. of Group's Operating Income**	**Operating Costs**	**per cent. of Group's Operating Costs**	**Operating Profit**	**Profit before taxes**
F&SME Network Italy	5,097	26.67%	(3,304)	28.33%	1,794	312
F&SME Network Germany	1,218	6.37%	(1,080)	9.26%	138	98
F&SME Network Austria	874	4.57%	(665)	5.70%	209	60
F&SME Network Poland	869	4.55%	(528)	4.53%	341	270
F&SME Total Factories	1,486	7.78%	(650)	5.57%	835	353
CIB	6,006	31.43%	(2,050)	17.58%	3,955	2,043
Private Banking	682	3.57%	(425)	3.64%	257	236
Asset Management	603	3.16%	(347)	2.97%	257	252
CEE	3,529	18.47%	(1,636)	14.03%	1,894	1,122
Corporate Centre (*)	(1,256)	(6.57%)	(977)	8.38%	(2,233)	(3,228)
Total Consolidated	**19,108**	**100%**	**(11,662)**	**100%**	**7,446**	**1,519**

* Consolidation adjustments included.

These numbers derive from the condensed income statement by business segment, reclassified as in the interim report on operations.

LEGAL AND ARBITRATION PROCEEDINGS

UniCredit S.p.A. and other UniCredit Group companies are involved in legal proceedings. From time to time, past and present directors, officers and employees may be involved in civil or criminal proceedings the details of which the UniCredit Group may not lawfully know about or communicate.

The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money

laundering laws, US and international sanctions, privacy and information security rules and others. Failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties or reputational damage. In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies or its clients.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class action in the United States). In such cases, given the infeasibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards (IAS).

To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), the UniCredit Group has set aside a provision for risks and charges of €1,403 million as at 30 September 2011. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in litigation, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate purely speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending lawsuits may prove to be substantially higher.

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit Group and/or its financial situation.

Set out below is a summary of information relating to matters involving the UniCredit group which are not considered groundless or in the ordinary course. Please note that labour law, tax and credit recovery actions are excluded from this section.

Madoff

In March 2009, Bernard L. Madoff ("**Madoff**"), former chairman of the NASDAQ Exchange and owner of Bernard L. Madoff Investment Securities LLC ("**BMIS**"), a broker-dealer registered with the Securities Exchange Commission (the "**SEC**") and the Financial Industry Regulatory Authority ("**FINRA**"), pled guilty to crimes, for which he was sentenced to 150 years in prison, that included securities fraud, investment adviser fraud, and providing false information to the SEC in connection with his operation of

what has been described as a Ponzi scheme. In December of 2008, shortly after Madoff's arrest, a bankruptcy administrator (the "**SIPA Trustee**") for the liquidation of BMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970.

Following Madoff's arrest, criminal and civil suits were filed in various countries against financial institutions and investment advisers by, or on behalf of, investors, intermediaries acting as brokers for investors and public entities in relation to losses incurred.

As at the date of Bernard L. Madoff's arrest, and since mid-2007, the Alternative Investments division of Pioneer ("**PAI**"), an indirect subsidiary of UniCredit S.p.A. acted as investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation), "**Primeo**") and various funds-of-funds ("**FoFs**"), which were non-U.S. funds that had invested in other non-U.S funds with accounts at BMIS. PAI also owned the founder shares of Primeo since 2007. Previously, the investment advisory functions had been performed by BA Worldwide Fund Management Ltd ("**BAWFM**"), an indirect subsidiary of Bank Austria . For a period of time, BAWFM had previously performed investment advisory functions for Thema International Fund plc, a non-U.S. fund that invested in BMIS.

UniCredit Bank AG (then HypoVereinsbank) issued tranches of debt securities whose potential yield was calculated based on the yield of a hypothetical structured investment (synthetic investment) in the Primeo funds. Some BA customers purchased shares in Primeo funds that were held in their accounts at BA. BA owned a 25 per cent. stake in Bank Medici AG ("**Bank Medici**"), a defendant in certain proceedings described below. Bank Medici is alleged to be connected, inter alia, to the Herald Fund SPC, a non-U.S. fund that invested in BMIS.

Proceedings in the United States

Purported Class Actions

UniCredit S.p.A., BA, PAI and Pioneer Global Asset Management S.p.A. ("**PGAM**"), a UniCredit S.p.A. subsidiary have been named among some 70 defendants in three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the "**Southern District**") between January and March 2009, purporting to represent investors in three investment fund groups (the "**Herald**" funds, "**Primeo**" and the "**Thema**" funds) which were invested, either directly or indirectly, in BMIS.

The three cases were later consolidated for pre-trial purposes and in February 2010 amended complaints were filed in each case. In April 2011, permission was sought from the Court further to amend each of the three complaints, principally to withdraw certain claims under the United States federal securities laws, and, in one case, to add a claim under the United States Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), as further described below.

The amended “Herald” complaint claims on behalf of investors in Herald Fund SPC-Herald USA Segregated Portfolio One and/or Herald (Lux) on 10 December 2008, or who invested in those funds from 12 January 2004 to 10 December 2008. It is now principally alleged that defendants, including UniCredit S.p.A., BA and Bank Medici breached common law duties by failing to safeguard the claimants' investment in the face of “red flags” that, it is claimed, should have alerted them to Madoff’s fraud. The plaintiffs have requested the Court's permission to add claims that defendants, including UniCredit S.p.A., violated RICO by allegedly participating in a plan to enrich themselves by feeding investors' money into Madoff's Ponzi scheme.

The plaintiffs allege that the proposed class lost approximately USD 2.0 billion in the Madoff Ponzi scheme, which they seek to recover trebled under RICO.

The amended “Primeo” complaint claims on behalf of investors in Primeo Select Fund and/or Primeo Executive Fund on 10 December 2008, or who invested in those funds from 12 January 2004 to 12 December 2008. It is now principally alleged that the defendants, including UniCredit S.p.A., BA, Bank Medici, BAWFM, PAI and PGAM breached common law duties misrepresenting the monitoring that would be done of Madoff and claimants’ investments and disregarding “red flags” of Madoff’s fraud.

The amended “Thema” complaint claims on behalf of investors in Thema International Fund plc and/or Thema Fund on 10 December 2008, or who invested in those funds from 12 January 2004 to 14 December 2008. It is now principally alleged that defendants including UniCredit S.p.A., BAWFM and Bank Medici committed common law torts by, inter alia, recklessly or knowingly making or failing to prevent untrue statements of material fact and/or failing to exercise due care in connection with the claimants' investments in the Thema fund.

In the Herald, Primeo and Thema cases, the plaintiffs seek damages in unspecified amounts (other than under RICO in the case of the Herald complaint, as noted above), interest or lost profits punitive damages, costs and attorneys’ fees, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

On 29 November 2011, the Southern District dismissed at the request of UniCredit S.p.A., PGAM, PAI, BA and other defendants all three purported class action complaints on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States is not the most convenient forum for the actions to proceed.

Claims by the SIPA Trustee

In December of 2010, the SIPA Trustee filed two cases (the "**HSBC**" and the "**Kohn**" case, respectively) in the United States Bankruptcy Court in the Southern District of New York against several dozen defendants. Both cases were later removed to the non-bankruptcy federal trial court in the Southern District at the request of UniCredit S.p.A., PAI and certain other defendants.

In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, and Bank Medici seeking amounts to be determined at trial, allegedly representing so-called avoidable transfers to initial transferees of funds from BMIS, subsequent transfers of funds originating from BMIS (in the form of alleged management, performance, advisory, administrative and marketing fees, among other such payments, said to exceed USD 400 million in aggregate for all defendants), and compensatory and punitive damages against certain defendants on a joint and several basis, including the five abovementioned, alleged to be in excess of USD 2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC action unspecified amounts (said to exceed several billion dollars) for common law claims of unjust enrichment, aiding and abetting BMIS's breach of fiduciary duty and BMIS's fraud and contribution. However, on 28 July 2011, the Southern District Court dismissed, at the request of UniCredit S.p.A., PAI, BA and certain other defendants the common law claims for aiding and abetting Madoff's fraud and breach of fiduciary duty, for unjust enrichment and for contribution. The SIPA Trustee has appealed the Southern District's order finalising the dismissal of those claims. Certain claims brought by the SIPA Trustee, which were not addressed in the motion to dismiss, remain pending before the United States Bankruptcy Court in the Southern District of New York.

In the Kohn case, the SIPA Trustee seeks to recover from more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Medici, Bank Austria Cayman Islands, and several persons affiliated with UniCredit S.p.A. and BA, unspecified avoidable transfers from BA as an initial transferee from BMIS and as from UniCredit S.p.A, BA and other UniCredit S.p.A. affiliated defendants as subsequent transferees of funds likewise originating from BMIS. The complaint further asserts common law claims, including unjust enrichment and conversion, as well as violations of the RICO statute as the alleged result of the defendants' directing investors' money into Madoff's Ponzi scheme. The SIPA Trustee seeks treble damages under RICO (three times the reported net USD 19.6 billion losses allegedly suffered by all BMIS investors), alleged retrocession fees, management fees, custodial fees, compensatory, exemplary and punitive damages, and costs of suit on a joint and several basis.

UniCredit and several of its affiliates moved to dismiss the common law and RICO claims, and oral argument on that application took place on 5 October 2011. A decision by the Southern District Court is expected in the near future. Certain claims brought by the SIPA Trustee, which were not addressed in the motion to dismiss, remain pending.

The putative class actions as well as the actions brought by the SIPA Trustee are in their initial stages. UniCredit S.p.A. and its affiliated defendants intend to continue defending these proceedings vigorously.

Proceedings Outside the United States

On 22 July 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") issued a writ of summons against PAI in the Grand Court of the Cayman Islands,

Financial Services Division. The Primeo Liquidators allege that PAI is liable under the terms of an investment advisory agreement between Primeo and PAI as a result of alleged breaches of duties by PAI and also as a result of alleged acts and omissions by BMIS for which PAI is alleged to be vicariously liable. The Primeo Liquidators also allege that fees paid to PAI were paid under a mistake of fact and claim restitution from PAI of those fees. In aggregate, the Primeo Liquidators claim approximately USD 262 million plus additional unquantified damages, as well as interest and costs.

Civil proceedings have been initiated in Austria by numerous investors related to Madoff's fraud in which BA, among others, was named as a defendant. In one proceeding, Pioneer Investments Austria GmbH ("**PIA**") was also named as a defendant. The plaintiffs invested in funds that, in turn, invested directly or indirectly with BMIS. No final judgments handed down thus far have been against BA or PIA. An interim judgment was handed down in favour of the plaintiff. The claim has been withdrawn in the meantime.

A criminal investigation is ongoing in Austria in relation to the Madoff case. This investigation, which includes BA as well as other persons, was initiated by a complaint filed by the FMA to the Austrian prosecutor.

Subsequently complaints were filed by purported investors in funds that were invested, either directly or indirectly with BMIS. These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of Primeo. This investigation is still at an early stage and no indictments have been issued.

Legal proceedings were brought in Germany against UniCredit Bank AG regarding synthetic debt securities issued by UniCredit Bank AG and connected to Primeo. One of these lawsuits has since been abandoned by the plaintiff.

A Chilean investor in synthetic debt securities connected to Primeo has filed a complaint with the Chilean prosecutor. The case is at an investigative phase only. No indictments have been issued. Written questions have been addressed to seven employees or former employees of UniCredit S.p.A. or its affiliates.

Subpoenas and Investigations

UniCredit and several of its subsidiaries have received subpoenas orders and requests to produce information and documents from the SEC, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Financial Market Authority, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Madoff's fraud. Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing markets or in places where proceedings related to Madoff investments are pending from time to time.

Certain Potential Consequences

In addition to the foregoing proceedings stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related actions have been threatened and may be filed in the future in said countries or in other countries by private investors or local authorities. The pending or future actions may have negative consequences for the UniCredit Group.

UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.

For the time being it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of responsibility, if any responsibility exists. Presently, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

Proceedings Related to and Arising out of the Purchase of HVB by UniCredit - Damages Claims

On 27 June 2007, the HVB annual Shareholders' Meeting passed a resolution to claim damages against UniCredit S.p.A., its legal representatives, and (former) members of HVB's management board and supervisory board, alleging damage to HVB due to the sale of its shareholding in Bank Austria and the Business Combination Agreement ("**BCA**") entered into with UniCredit S.p.A. during the integration process. A Special Representative (the "**Special Representative**") was appointed to take this forward. Although a shareholder, UniCredit S.p.A. was prohibited from voting at the meeting.

On 20 February 2008, the Special Representative filed a claim against UniCredit S.p.A and others, requiring the return of the shares in BA to HVB along with compensation to HVB for any additional losses suffered and, in the alternative €13.9 billion in damages. The claim was subsequently amended to include an additional amount of €2.98 billion (plus interest) in addition to any damage that may have resulted from the capital increase resolved by HVB in April 2007 in the context of contributing to the allegedly overvalued banking business of the former UBM to HVB.

The Special Representative has now been removed and no longer has the authority to take forward these claims. The claims have not been formally removed as yet and a decision will be taken by HVB on next steps.

Cirio

In April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.) served notice on Sergio Cragnotti and various banks, including Capitalia S.p.A. (absorbed by UniCredit S.p.A.) and Banca di Roma S.p.A. (now UniCredit S.p.A.), of a petition to declare invalid an allegedly illegal agreement with Cirio S.p.A. regarding the sale of the dairy company Eurolat to Dalmata S.r.l. (Parmalat). The extraordinary administration subsequently requested that Capitalia S.p.A. and Banca di Roma S.p.A. jointly refund €168 million and that all defendants jointly pay damages of €474 million. In the alternative, it sought the revocation of the settlement made by Cirio

S.p.A. and/or repayment by the banks of the amount paid for the agreement in question, on the grounds of "undue profiteering".

Despite no preliminary investigation being conducted, in February 2008, the Court ordered Capitalia S.p.A. (currently UniCredit S.p.A.) and Sergio Cragnotti to pay €223.3 million plus currency appreciation and interest from 1999. UniCredit appealed the decision. It also requested a stay of execution of the lower court's judgment which was successfully obtained in January 2009. The next hearing is scheduled for 11 November 2014.

Provisions have been made for an amount considered appropriate to the current risk of the proceedings.

In April 2007, certain Cirio group companies in extraordinary administration filed a petition against Capitalia S.p.A. (now UniCredit S.p.A.), Banca di Roma S.p.A., UBM (now UniCredit S.p.A.) and other banks for compensation for damage resulting from their role as arrangers of bond issues by Cirio group companies, although, according to the claimants, they were already insolvent at the time.

Damages were quantified as follows:

- the damages incurred by the petitioners due to a worsening of their financial condition were calculated within a range of €421.6 million to €2.082 billion (depending upon the criteria applied);

- the damages incurred because of the fees paid to the lead managers for bond placements were calculated at a total of €9.8 million; and

- the damages, to be determined during the proceedings, incurred by Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.), for losses related to the infeasibility of recovering, through post-bankruptcy clawback, at least the amount used between 1999 and 2000 to cover the debt exposure of some of the Cirio group companies, plus interest and currency revaluation from the date owed to the date of payment.

In the ruling of 3 November 2009, the judge denied the claimants' claim that the companies of the Cirio group in extraordinary administration be held jointly liable for reimbursement of legal expenses, in favour of the defendant banks. The extraordinary administration has appealed against the ruling and the hearing for the conclusions is set for 27 January 2016.

UniCredit S.p.A. believes the action to be groundless. Accordingly, no provisions have been made.

Qui Tam Complaint Against Vanderbilt LLC and Other UniCredit Group Companies

On 14 July 2008, claimants Frank Foy and his wife filed a complaint on behalf of the State of New Mexico ("**Qui Tam Statute**") seeking recovery of false claims for payment made upon the State in relation to certain investments made by the New Mexico Educational Retirement Board ("**ERB**") and the State of New Mexico Investment

Council ("**SIC**") in Vanderbilt Financial LLC ("**VF**"), an indirect UniCredit S.p.A. investee company. The complaint states that Frank Foy was the Chief Investment Officer of ERB and that he submitted his resignation in March 2008.

The claimants have standing to sue on behalf of the State of New Mexico under the State qui tam statute, the New Mexico Fraud Against Taxpayers Act ("**FATA**") and seek compensation for damages in an amount of USD 360 million. The claimants assert that the Vanderbilt VF defendants (see below) and the other defendants persuaded ERB and SIC to invest USD 90 million in Vanderbilt products (i) by knowingly providing false information on the nature and risk level of the VF investment and (ii) by guaranteeing improper contributions to the Governor of the State of New Mexico, Bill Richardson, and other State officials, to convince them to make the investment. In addition to the entire initial investment of USD 90 million (as consequential damages), Foy requests an additional USD 30 million for loss of profit.

Defendants include, inter alia, the following:

- Vanderbilt Capital Advisors, LLC ("**VCA**"), a wholly-owned indirect subsidiary of Pioneer Investment Management USA Inc. ("**PIM US**");
- Vanderbilt Financial, LLC ("**VF**"), a special purpose vehicle in which PIM US has an 8 per cent. holding (VF has since been liquidated);
- Pioneer Investment Management USA Inc. ("**PIM US**"), a wholly owned subsidiary of PGAM;
- PGAM, a wholly owned subsidiary of UniCredit S.p.A.;
- UniCredit S.p.A.;
- various directors and officers of VCA, VF and PIM US; and
- law firms, external auditors, investment banks and State of New Mexico officials.

At present, an assessment on the economic impact that may result from the proceedings is premature and thus no provisions have been made.

The complaint was originally served on the American companies, including VCA, PIM US (both part of UniCredit Group) and VF, and the natural persons called as defendants. On 24 September 2009 UniCredit S.p.A. and on 17 December 2009 PGAM were also served.

All the defendants filed motions to dismiss on procedural and substantive grounds.

On 8 March 2010, the Foys filed a purported amended complaint seeking to add one additional claimant, several additional defendants, and over 50 additional claims. Foy also sought to put in issue other Vanderbilt CDOs in which the State of New Mexico public funds invested and which increased the claimed losses from USD 90 million to USD 243.5 million. The defendants have challenged whether the amended complaint was properly filed, and on 26 March 2010, the court ruled that it will not consider the

amended complaint, and the defendants need not respond to it, until after the court has addressed the previously submitted motions to dismiss the original complaint.

On 28 April 2010, Judge Pfeffer issued an order dismissing all of the claims brought by the original complaint. The Judge had already expressed concerns that retroactive application of the New Mexico qui tam statute would violate prohibitions against constitutional ex post facto protections, and this was the basis for his ruling dismissing all the FATA claims. The Judge also dismissed Foy's claims under the state Unfair Practices Act ("**UPA**") on grounds that claims were based on securities transactions not within the scope of the protections offered by the UPA.

In May 2010, Foy filed a package of seven motions requesting Judge Pfeffer to reconsider the dismissal on various grounds and, alternatively, requesting him to certify the legal question regarding the retroactive application of FATA for an interlocutory appeal to the New Mexico State Appeals Court. The Vanderbilt defendants and the other defendants filed oppositions to all of these motions, and asked the Court to strike the amended complaint and dispose of the entire case. On 2 September 2010, Judge Pfeffer issued his decisions. He certified the legal question for interlocutory appeal, but ordered the claimant to strip the amended complaint of all allegations that were inconsistent with his rulings that FATA could not be applied retroactively and that no claims survived under the UPA.

Foy filed a request for interlocutory review with the New Mexico Court of Appeals on 16 September 2010 and the revisions to the amended complaint with the lower court on 17 September 2010. The defendants opposed the request for interlocutory appeal. On 21 October, the New Mexico Court of Appeals refused Foy's request for an interlocutory appeal. On 7 February 2011, the court ruled that Foy could proceed with the amended complaint to the extent it challenged conduct occurring after FATA's effective date. On 31 March 2011, all of the Group defendants filed motions to dismiss the remaining claims, and the individual defendants, PGAM and UniCredit S.p.A. also filed renewed motions to dismiss based on lack of personal jurisdiction.

On 6 May 2011, the Attorney General of the State of New Mexico exercised its right to intervene in a qui tam case brought under FATA and moved to dismiss all of the claims in the Foy litigation alleging that the SIC had made investments following improper contributions to state officials the "pay to play" claims. Foy opposed the Attorney General's action. The Group defendants took no position on the Attorney General's motion, which, even if successful, would leave intact most of the surviving claims against them. At a hearing on 17 August 2011, Judge Pfeffer ruled in the Attorney General's favour; however, no written orders have yet issued.

On or around 30 August 2011, a related development occurred in a second lawsuit brought by Foy under FATA against a different group of financial services companies, Foy v. Austin Capital Management ("**Austin**"). The Austin court had followed Judge Pfeffer in refusing to apply FATA retroactively, but while the New Mexico Court of Appeals had refused to review that decision in Foy, it agreed to hear the issue on appeal

in Austin. A decision is not expected for many months, but when issued, it will apply to Foy as well.

On 4 October 2011, Judge Pfeffer issued a series of identical orders deferring decision on the various defendants' personal jurisdiction motions and permitting discovery to go forward on facts relevant to those motions. The parties have begun discussions aimed at clarifying the scope and timing of permitted discovery.

In January 2010, a purported class or derivative action entitled Donna J. Hill vs. Vanderbilt Capital Advisors, LLC, was filed in the state court in Santa Fe, New Mexico. the lead claimant, a beneficiary of the New Mexico Educational Retirement Fund (the "**Fund**"), seeks to recover on behalf of the Fund or its plan participants the money that the Fund lost on its investment in Vanderbilt Financial, LLC.

In February 2010, a parallel case by another plan participant, entitled Michael J. Hammes vs. Vanderbilt Capital Advisors, LLC, was filed in the same court making virtually identical allegations. The Hill and Hammes cases make factual allegations similar to those asserted in the Foy case, but they bring their claims under common law theories of fraud, breach of fiduciary duty (against the Educational Retirement Board members), and aiding and abetting breaches of duty by those board members.

The Hill and Hammes cases originally named VCA, VF, PIM US and various current or former officers and directors of VCA, VF and/or PIM, several current or former ERB board members and other parties unconnected to Vanderbilt. Neither PGAM nor UniCredit were named as defendants in these cases. In February 2010, the Hill case was removed by one of the ERB board member defendants to the United States District Court for the District of New Mexico. Subsequently, the deadline for defendants to respond was indefinitely extended in the Hammes case by agreement of the parties. Hammes remains in state court. In addition, the Hill claimants' agreed to dismiss from the case, without prejudice (so reinstatement is possible), PIM US and the individual officers named as defendants. Neither the Hill nor Hammes complaint specifies the amount of damages claimed, but the total invested by the ERB in VF was USD 40 million; moreover this amount is subsumed within the damages claimed in the Foy lawsuit. On 31 August 2010 the Vanderbilt defendants filed a motion to dismiss all of the claims in Hill. Claimants opposed the motion, and a hearing was held in the New Mexico federal district court on 29 October 2010. Some months later, plaintiffs informed the court that the ERB Board had met and determined not to enter the case.

After requesting and obtaining updates from the Vanderbilt defendants regarding the progress in Foy, on 30 September 2011, the Hill court issued a lengthy opinion dismissing the federal court case for lack of subject matter jurisdiction and remanding it to New Mexico state court. The opinion contains a detailed, negative commentary on the plaintiffs' standing to bring suit, but does not rule on the issue. The case will be transferred to the state court docket, where it could be consolidated with Hammes.

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) filed a suit in the Court of Bari Italy against UniCredit Banca d'Impresa S.p.A. (then redenominated UniCredit Corporate Banking S.p.A. and, following the implementation of the One4C project, now merged into UniCredit S.p.A.) alleging violations of law and regulation in relation to certain rate and currency derivative transactions created between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.).

The petition requests that the contracts be declared non existent, or failing that, null and void or to be cancelled or terminated and that UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.) pay the claimant a total of €276.6 million as well as legal fees and interest. It also seeks the annulment of a settlement the parties reached in 2005 under which Divania S.r.l had agreed to waive any claims in respect of the transactions.

UniCredit S.p.A. rejected Divania S.r.l.'s demands. Without prejudice to its rejection of liability, it maintains that the amount claimed has been calculated by aggregating all the debits made (for an amount much larger than the actual amount), without taking into account the credits received that significantly reduce the claimant's demands.

In April 2010, the report of the Court named expert witness submitted a report which broadly confirms UniCredit's position stating that there was a loss on derivatives amounting to about €6,400,000 (which would increase to about €10,884,000 should the out-of-court settlement, challenged by the claimant, be judged unlawful and thus null and void). The expert opinion states that interest should be added in an amount between €4,137,000 (contractual rate) and €868,000 (legal rate).

UniCredit S.p.A. has made a provision for an amount consistent with the lawsuit risk.

Another two lawsuits have also been filed by Divania, one for €68.9 million (which was subsequently increased to €80.5 million pursuant to Article 183 of the Italian Civil Procedure Code) and a second for €1.6 million. Both are considered to be groundless and therefore no provisions have been made.

Following Divania S.r.l.'s bankruptcy in June 2011, all these proceedings were stayed. In November 2011, proceedings resumed with respect to the claim for €80.5 million.

Acquisition of Cerruti Holding Company S.p.A. by Fin.Part S.p.A.

At the beginning of August 2008, the Trustee in Bankruptcy of Fin.Part S.p.A. ("**Fin.Part**") brought a civil action against UniCredit S.p.A., UniCredit Banca S.p.A. (now UniCredit S.p.A.), UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.) and one other bank not belonging to the UniCredit group for contractual and tortious liability. Fin.Part's claim against each of the defendant banks, jointly and severally or alternatively, each to the extent applicable, is for damage allegedly suffered by Fin.Part and its creditors as a result of the acquisition of Cerruti Holding Company S.p.A. ("**Cerruti**") by Fin.Part.

The claimant alleges that the financial obligations arising out of the Cerruti acquisition financing brought about Fin.Part's bankruptcy and that the banks therefore acted unlawfully.

The claim is for €211 million plus all fees, commissions and interest earned in connection with the allegedly unlawful activities.

On 23 December 2008 the Trustee in Bankruptcy of C Finance S.A. intervened in the case. It maintains that C Finance S.A. was insolvent at the time of its establishment because of the transfer of bond loan incomes to Fin.Part obtaining in exchange for valueless assets and that it was the banks and their executives, in devising and executing the transaction, who contributed in causing C Finance S.A. to become insolvent. Accordingly, it seeks damages as follows: a) the total bankruptcy liabilities (€308.1 million); or, alternatively, b) the amounts disbursed by C Finance S.A. to Fin.Part and Fin.Part International (€193 million); or, alternatively, c) the amount collected by UniCredit S.p.A. (€123.4 million).

The banks are also requested to pay damages for the amounts collected (equivalent to €123.4 million, plus €1.1 million in fees and commissions) for the alleged invalidity and illegality of the transaction in question and the payment of Fin.Part's debts to UniCredit S.p.A. using the proceeds from the C Finance S.A. bond issue. In addition, the claimant alleges that the transaction was a means for evading Italian law regarding limits and procedures for bond issues.

In January 2009, the judge rejected a writ of attachment against the defendant not belonging to UniCredit group.

A hearing for the conclusions was set for 20 December 2011. Another hearing has been set for 6 February 2012 in which the parties shall appear in person for settlement proceedings.

In addition, on 2 October 2009, the receivership of Fin.Part subpoenaed in the Court of Milan UniCredit Corporate Banking (now UniCredit), in order that (i) the invalidity of the "payment" of €46 million made in September 2001 by Fin.Part to the former Credito Italiano be recognised and consequently, (ii) the defendant be sentenced to return such amount in that it relates to an exposure granted by the bank as part of the complex financial transaction under dispute in the prior proceedings.

A hearing for the conclusions was set for 20 December 2011. Another hearing has been set for 6 February 2012 in which the parties shall appear in person for settlement proceedings.

UniCredit S.p.A, on the basis, inter alia, of the information supplied by their legal counsel, believes the claims are groundless and/or lacking in an evidentiary basis. Provisions have been made for an amount considered adequate to cover the costs.

Valauret S.A.

In 2001, Valauret S.A. and Hughes de Lasteyrie du Saillant, bought shares in the French company Rhodia S.A. They filed a civil claim in 2004 for losses resulting from the drop in the Rhodia S.A. share price between 2002 and 2003, allegedly caused by earlier fraudulent actions by members of the company's board of directors and others.

BA (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 on the basis that Creditanstalt was banker to one of the defendants.

Valauret S.A. is seeking damages of €129.8 million in addition to legal costs and Hughes de Lasteyrie du Saillant damages of €4.39 million.

In 2006, before the action was extended to BA, the civil proceedings were stayed following the opening of criminal proceedings by the French State that are ongoing. In December 2008, the civil proceedings were also stayed against BA.

In BA's opinion, the claim is groundless and no provisions have been made.

Treuhandanstalt

BA has joined in litigation in Switzerland in support of the defendant AKB Privatbank Zürich AG (formerly Bank Austria (Schweiz) AG and then a subsidiary of BA) in a suit brought by Bundesanstalt für vereinigungsbedingte Sonderaufgaben ("**BvS**"). BvS is one of the successors of the former Treuhandanstalt a German public body responsible for managing the assets of the former East Germany.

BvS claims that BA's former subsidiary is liable for the unauthorised transfer of funds from the accounts of two former East German companies by their former CEO in the early 1990s. BvS claims damages of approximately €128 million, plus interest dating back to 1992, plus costs.

On 25 June 2008, the Zurich District Court in large part rejected BvS's claim. Both parties appealed the judgment. On 25 March 2010, the Court of Appeal of Zurich (*Obergericht*) granted BvS's appeal and ordered BA and its former subsidiary to pay approximately €230 million (calculated as of 30 March 2010).

BA and its former subsidiary filed an appeal before the Court of Cassation of the Zurich Canton and also requested, inter alia, a stay of execution. The stay was granted on 14 May 2010. On 30 November 2011, the Court of Cassation granting the appeal of BA, quashed the decision of the Court of Appeal of Zurich (*Obergericht*) of 25 March 2010 and remitted the matter back to the Court of Appeal of Zurich (*Obergericht*) for a new decision, the outcome of which is not possible to predict at this stage. BvS may appeal the Court of Cassation's decision of 30 November 2011 to the Federal Court.

On 1 February 2011 BA filed an application for the revision of the judgment of the Court of Appeal of Zurich (based on new facts in order to obtain the dismissal of BvS's claim and, in the alternative, to reduce the amount claimed) with the Court of Appeal of Zurich. The Court has stayed this proceeding pending any final decision on the merits. BA's former subsidiary is also taking steps in respect of the disputed matters against BvS in Germany. This includes filing claims against BvS in the German Courts.

A provision has been made for an amount consistent with the currently estimated risk of the lawsuit.

Association of Small Shareholders of NAMA d.d. in Bankruptcy; Slobodni sindiKat.

Zagrebacka banka ("**ZABA**") is being sued before the Zagreb Municipal Court by two parties: (i) the association of small shareholders of NAMA d.d. in bankruptcy; and (ii) Slobodni SindiKat. It is said that ZABA violated the rights of NAMA d.d., as minority shareholder of ZABA until 1994 by, inter alia, not distributing to NAMA d.d. profits in the form of ZABA shares. The claimants seek shares in compensation or alternatively damages of approximately €124 million.

ZABA maintains that the claimants do not have legal standing in that they have never been ZABA shareholders, nor the holders of the rights allegedly violated.

On 16 November 2009, the judge rejected the claimants' claim, without dealing with the merits, on the basis that the claimants did not have standing. The decision has been appealed

No provisions have been made.

GBS S.p.A.

At the beginning of February 2008, General Broker Service S.p.A. ("**GBS S.p.A**.") initiated arbitration proceedings against UniCredit S.p.A. for the alleged unlawful behaviour of the Bank with regards to the insurance brokerage relationship allegedly deriving from the exclusive agreement signed in 1991.

In a decision issued on 18 November 2009, UniCredit S.p.A. was ordered to pay GBS S.p.A. €144 million, as well as legal costs and the costs of an expert's report. UniCredit S.p.A. determined that the decision ordered by the arbitrator was unsound and groundless, and has lodged an appeal together with a request for a stay of execution.

On 8 July 2010, the Court granted a stay of execution in respect of amounts exceeding €10 million. UniCredit S.p.A. paid such amount in favour of GBS S.p.A., pending the outcome of the appeal. The next hearing is scheduled for 5 November 2013.

A provision has been made for an amount consistent with what currently appears to be the potential risk resulting from the award issued.

ADDITIONAL RELEVANT INFORMATION

The following section sets out further pending proceedings against UniCredit S.p.A. and other companies of the UniCredit group that UniCredit considers relevant and which, at present, are not characterised by known economic demand or for which the economic request cannot be quantified.

Proceedings arising out of the purchase of HVB by UniCredit S.p.A. and the group reorganisation

Voidance action challenging the transfer of shares of Bank Austria Creditanstalt AG (BA) held by HVB to UniCredit S.p.A. (Shareholders' Resolution of 25 October 2006)

Numerous minority shareholders of HVB have filed petitions challenging the resolutions adopted by HVB's Extraordinary Shareholders' Meeting of 25 October 2006 approving various sale and purchase agreements (SPA) transferring the shares held by HVB in BA and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held by HVB in International Moscow Bank and AS UniCredit Bank Riga to BA and the transfer of the Vilnius and Tallin branches to AS UniCredit Bank Riga, asking the Court to declare these resolutions null and void. The actions are based on purported defects in the formalities relating to the calling for and conduct of the Extraordinary Shareholders' Meeting held on 25 October 2006, and on the allegation that the sale price for the shares was too low. In the course of this proceeding, certain shareholders asked the Regional Court of Munich to state that the BCA, entered into between HVB and UniCredit S.p.A., should be regarded as a de facto domination agreement.

In the judgment of 31 January 2008, the Court declared the resolutions passed at the Extraordinary Shareholders' Meeting of 25 October 2006 to be null and void for formal reasons. The Court did not express an opinion on the issue of the alleged inadequacy of the purchase price but expressed the opinion that the BCA entered into between UniCredit S.p.A. and HVB in June 2005 should have been submitted to HVB's Shareholders' Meeting as it represented a "concealed" domination agreement.

HVB filed an appeal against this judgment since it is believed that the provisions of the BCA would not actually be material with respect to the purchase and sale agreements submitted to the Extraordinary Shareholders' Meeting of 25 October 2006, and that the matter concerning valuation parameters would not have affected the purchase and sales agreements submitted for the approval of the shareholders' meeting. HVB also believes that the BCA is not a "concealed" domination agreement, due in part to the fact that it specifically prevents entering into a domination agreement for five years following the purchase offer.

The HVB shareholder resolution could only become null and void when the Court's decision becomes final.

Moreover, it should be noted that, in using a legal tool recognised under German law, and pending the aforementioned proceedings, HVB asked the Shareholders' Meeting held on 29 and 30 July 2008 to reconfirm the resolutions that were passed by the Extraordinary Shareholders' Meeting of 25 October 2006 and which were contested (so-called Confirmatory Resolutions). If these Confirmatory Resolutions became final and binding, they would make the alleged improprieties in the initial resolutions irrelevant.

The Shareholders' Meeting approved these Confirmatory Resolutions, which, however, were in turn challenged by several shareholders in August 2008. In February 2009, an additional resolution was adopted that confirmed the adopted resolutions.

In the judgment of 10 December 2009, the Court rejected the voidance action against the first Confirmatory Resolutions adopted on 29 and 30 July 2008. Appeals filed by several former shareholders against this judgment were rejected by Higher Regional Court (*Oberlandesgericht*) of Munich on 22 December 2010. The case is now pending before the German Federal Supreme Court (*Bundesgerichtshof*). A final judgment has not yet been issued.

In light of the above events, the appeal proceedings initiated by HVB against the judgment of 31 January 2008 were suspended until a final judgment is issued in relation to the Confirmatory Resolutions adopted by HVB's Shareholders' Meeting of 29 and 30 July 2008.

Squeeze-out of HVB Minority Shareholders (Appraisal Proceedings)

Approximately 300 former minority shareholders of HVB filed a request to have a review of the price obtained in the squeeze-out (Appraisal Proceedings). The dispute mainly concerns profiles regarding the valuation of HVB.

The first hearing took place on 15 April 2010. The proceedings are still pending and are expected to last for a number of years.

Squeeze-out of Bank Austria's Minority Shareholders

After a settlement was reached on all legal challenges to the squeeze-out in Austria, the resolution passed by the BA shareholders' meeting approving the squeeze-out of the ordinary shares held by minority shareholders (with the exception of the so-called "golden shareholders" holding the registered shares in BA) was registered in the Vienna Commercial Register on 21 May 2008.

The minority shareholders received the squeeze-out payment of approximately €1,045 million including the related interest.

Several shareholders then initiated proceedings before the Commercial Court of Vienna claiming that the squeeze-out price was inadequate, and asking the Court to review the adequacy of the amount paid (appraisal proceedings). At present the proceedings are pending before the Commercial Court of Vienna which appointed a panel, the so-called "*Gremium"*, to investigate the facts of the case in order to review the adequacy of the cash compensation. The Gremium appointed an expert. This expert, employing six different methods, determined that adequate compensation would have been in a range from an amount lower than that actually paid by UniCredit and an amount that is €10 per share higher than that amount. UniCredit, considering the nature of the valuation methods employed, still believes that the amount paid to the minority shareholders was adequate. Nevertheless it is not possible to predict how the Gremium will decide upon concluding its investigation.

Should the parties fail to reach an agreement, the Commercial Court will issue a decision which could result in UniCredit having to pay greater cash compensation.

In addition to the Court and the Gremium proceedings, a minority shareholder has initiated a parallel arbitration procedure before an arbitral tribunal. If the outcome of the arbitration is unfavourable for UniCredit S.p.A., it is possible that the Group could be negatively affected.

Cirio and Parmalat Criminal Proceedings

Between the end of 2003 and the beginning of 2004, criminal investigations of some former Capitalia group (now UniCredit group) officers and managers were conducted in relation to the insolvency of the Cirio group. This resulted in certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.) being committed to trial.

Cirio S.p.A.'s extraordinary administration and several bondholders joined the criminal proceedings as civil complainants without quantifying the damages claimed. UniCredit S.p.A., also as the universal successor of UniCredit Banca di Roma S.p.A., was cited as "legally liable".

On 23 December 2010, UniCredit S.p.A., without any admission of responsibility, proposed a settlement to approximately 2,000 bondholders.

In March 2011, Cirio S.p.A.'s extraordinary administration filed its conclusions against all defendants and against UniCredit S.p.A. as "legally liable", all the defendants jointly and severally, requesting damages in an amount of €1.9 billion. UniCredit believes the request is groundless both in fact and law and the officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

Negotiations aimed at settling all Cirio related matters in their entirety have to date proved unsuccessful and, on 4 July 2011 the Court of Rome ordered UniCredit, together with the individuals involved, to pay the extraordinary administration €200 million as a provisional payment. The reasons for the Court's decision are yet to be released. An appeal will be considered once the reasons are known.

With regard to the insolvency of the Parmalat group, from the end of 2003 to the end of 2005, investigations were conducted against certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.), who had been committed for trial within the scope of three distinct criminal proceedings known as "Ciappazzi", "Parmatour" and "Eurolat".

Companies of the Parmalat group in extraordinary administration and numerous Parmalat bondholders are the claimants in the civil suits in the aforementioned proceedings. All of the civil claimants' lawyers have reserved the right to quantify damages at the conclusion of the first instance trials.

In the "Ciappazzi" and "Parmatour" proceedings, several companies of the UniCredit group have been cited as legally liable.

Upon execution of the settlement of 1 August 2008 between UniCredit Group and Parmalat S.p.A., and as Parmalat group companies are in extraordinary administration, all civil charges were either waived or revoked.

The officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

On 11 June 2010, UniCredit reached an agreement with the Association of Parmalat Bondholders of the Sanpaolo IMI group (the Association) aimed at settling, without any admission of responsibility, the civil claims brought against certain banks of the UniCredit group by the approximately 32,000 Parmalat bondholders who are members of the Association. In October 2010, that agreement has been extended to the other bondholders who had joined the criminal proceedings as civil complainants (approximately 5,000).

On 4 October 2011, UniCredit reached a settlement agreement with the trustee of Cosal S.r.l.

On 29 November 2011 (Parmalat) and on 20 December 2011 (Parmatour), the Court of Parma issued a judgment ordering UniCredit, severally with other involved parties, to pay a provisional payment in favour of the bondholders and shareholders of Parmalat and Parmatour, civil complainants in the criminal proceedings in an amount equal to 4 per cent. of the nominal value of the securities owned.

Taking into account the abovementioned transactions with bondholders in 2010, these decisions apply only to a limited number of investors.

For the Parmalat and Cirio cases provisions have been made for an amount consistent with what currently appears to be the potential risk of liability for UniCredit S.p.A. as legally liable.

Medienfonds

Various customers bought shares in VIP Medienfonds 4 GmbH & Co. KG ("**Medienfonds**").

HVB did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralize the fund, HVB assumed specific payment obligations of certain film distributors with respect to the fund.

When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against HVB and others. The investors argue that HVB did not disclose to them the risks of the tax treatment being revoked and assert HVB, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke also rights under German consumer protection laws.

The courts of first and second instance have passed various sentences, of which several were unfavourable for HVB.

On December 30, 2011, the District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (*Kapitalanleger-Musterverfahrensgesetz*). The Court stated that the prospectus

was incorrect concerning the description of tax risks, loss risk and the fund's forecast. The Court further held HVB liable along with the promoter of Medienfonds for such errors. HVB is currently analysing the ruling and the merits of an appeal to the Federal Court. Any final decision in this proceeding will affect only few pending cases since with the vast majority of the investors a general settlement has already been reached.

Aside from the civil proceedings, the fiscal courts have not yet issued a final decision as to whether the tax benefits were rightfully revoked in the first place.

HVB has made provisions which are, at present, deemed appropriate.

CODACONS Class Actions

With a petition served on 5 January 2010, CODACONS (Coordination of the associations for the defence of the environment and the protection of consumer rights), on behalf of one of its applicants, submitted a class action to the Court of Rome against UniCredit Banca di Roma S.p.A. (now UniCredit S.p.A.) pursuant to Article 140-*bis* of the Consumer Code (Legislative Decree No. 206 dated 6 September 2005). This action, which was brought for an amount of €1,250 (plus unspecified non-material damages), is based on the allegations of AGCM, according to which Italian banks would have compensated for the abolition of maximum overdraft commission by introducing new and more costly commissions for clients. The applicant asked the Court of Rome to allow the action specifying the criteria for being included in the class action and setting a period of not more than 120 days within which the parties may join the class action. If the Court considers the class action admissible, the amount requested could significantly increase based on the number of adhesions of current account holders of UniCredit Banca di Roma S.p.A. who consider that they have suffered damages as a result of the behaviour at issue.

Another class action, together with a request to join the two actions, was filed on 9 August 2010 by CODACONS on behalf of one of its members, before the Court of Rome against UniCredit Banca di Roma S.p.A. (now UniCredit S.p.A.) based on the same claims and asking for an amount of €1,110 (including non-material damages).

The only difference between the two actions is that this claimant had a credit current account.

The Court of Rome, in two separate decisions taken on 25 March 2011, granting UniCredit's the motions, rejected the request to join filed by CODACONS and dismissed the two class actions.

In July 2011, the CODACONS appealed both decisions in the Court of Appeal of Rome, the first hearing is set for 11 January 2012.

UniCredit S.p.A. believes it has consistently operated in compliance with the law in relation to its commission policy.

Derivatives

In Germany and Italy, there is a tendency for derivative contracts to be challenged most notably by non-institutional investors where those contracts are out of the money. This is affecting the financial sector generally and is not specific to UniCredit and its group companies. Due to the current uncertainty, it is impossible to assess the full impact of such challenges on the Group.

Other Significant Events

There has been increasing scrutiny of the financial institutions sector, especially by US authorities, with respect to combating money laundering and terrorist financing and enforcing compliance with economic sanctions. The US Treasury Department Office of Foreign Assets Control ("OFAC") administers US laws and regulations in relation to US economic sanctions against designated foreign countries, nationals and others. A member of the UniCredit Group is currently responding to a third party witness subpoena from the New York County District Attorney's Office in connection with an on-going investigation regarding certain, persons and/or entities believed to have engaged in sanctionable conduct. The relevant UniCredit Group member also has disclosed to OFAC information that it has provided to the District Attorney's office and is involved in on-going discussions with these authorities and is cooperating fully. In addition, the relevant UniCredit Group member is also conducting an on-going internal review of the accounts and transactions that are the subject of the investigation. It is not possible at this time to predict the outcome of the on-going investigation, including the timing and any potential financial impact it may have upon the operating results of the Group in any future financial period.

Client Proceeding Related to German Tax Credits

A client has filed claims against UCB AG before the Regional Court of Munich with an amount in dispute of approximately €124 million based on alleged incorrect advice and breach of duties relating to transactions in German equity securities. Such transactions were entered into by the client based on the expectation of receiving dividend withholding tax credits on dividends in relation to German equities which were traded around dividend dates. Pursuant to a tax audit of the client, the tax authorities have demanded payment from the client, who is primarily liable to the tax authorities, of the withholding tax credit previously granted to the client plus interest summing up to the amount in dispute. UCB AG understands that the client and its tax advisor are challenging the tax authorities' position. The client in his claim requests UCB AG to indemnify him against said and potential future payment obligations to the tax authorities with respect to the transactions. The tax authorities served upon UCB AG a secondary liability note requesting payment of the tax credits previously granted to the client including interest summing up to approximately €124 million on the basis of alleged issuer liability for tax certificates. UCB AG is reviewing the liability note of the tax authorities with the assistance of external experts and assessing the merits of challenging such note. There is a risk that UCB AG could be held liable for damages to the client in the civil proceeding or to the tax authorities on the basis of the liability note.

In addition, UCB AG could be subject to interest claims in relation to this matter, as well as fines and profit claw backs, and/or criminal exposure.

UCB AG meanwhile has taken certain legal steps under civil law, which UCB AG and its advisers considered appropriate in order to protect its position in the context of the above matters.

Labor Related Litigation

UniCredit and other Group companies are party to certain labor related litigation proceedings. The Group has made provisions to deal with any adverse outcomes and, in any event, UniCredit does not believe that any adverse outcome could significantly adversely affect the economic and/or financial condition of the Group.

Proceedings Related To Tax Matters

Proceedings Before Italian Tax Authorities

At the date of this Prospectus, the following tax proceedings are pending at the Regional Tax Commission of Palermo: (i) challenge of a tax credit in the amount of approximately €25.6 million for corporate income tax (then called IRPEG) resulting from the annual tax return for the year 1984 of Cassa Centrale di Risparmio V.E. per le Province Siciliane (now Banco di Sicilia); (ii) challenge of a tax credit in the amount of approximately €21.1 million for corporate income tax resulting from the annual tax return for the year 1984 of Banco di Sicilia; and (iii) challenge of a tax credit in the amount of approximately €24.3 million resulting from the annual tax return for the year 1985 of Banco di Sicilia. The total value of the challenges, taking into account accrued and recorded interest, is approximately €174 million.

On 12 June 2007, the Regional Tax Commission of Palermo rejected the motions to dismiss by Banco di Sicilia. Banco di Sicilia filed appeals against the decision. Two of the appeal hearings were heard in front of the Regional Tax Commission and were decided in favour of Banco di Sicilia. The decisions were filed on 28 January 2010. The Financial Administration has filed appeals against these decisions to the Corte di Cassazione and, at the date of this Prospectus, the judgments are pending.

On 23 April 2010, a third appeal was heard in front of the same section of the Regional Tax Commission of Palermo. The appeal was resolved in favour of the Banco di Sicila and the judgment was filed on 4 June 2010. As a result of a mistake in the filed version of the judgment, which stated a different value than that contained in the original version of the judgment, a special procedure to correct the mistake was required. order for correction was published on 20 April 2011. The Financial Administration filed an appeal of the order with the Court of Cassazione on 6 July 2011. The appeal was decided in favour of the Banco di Sicilia and no provisions were made.

In addition on 5 January 2011, the Revenue Agency served UniCredit leasing with a notice of assessment. The notice of assessment concerns IRAP and VAT taxes connected to certain real estate leasing operations carried out by UniCredit Leasing during the 2005 financial year.

The IRAP assessment equals €694,412 plus interest and penalties of €772,786. The VAT assessment equals €31,839,466 plus penalties of €70,866,012.50.

On 31 May 2011, UniCredit appealed the notice of assessment to the Regional Tax Commission of Bologna. Oral arguments have not yet been scheduled.

On 22 November 2011, UniCredit was notified of a tax assessment of €13,391,744.50. Having considered the potential risk, and in accordance with international accounting standards, UniCredit has not made provisions with respect to the above tax assessment.

Tax Audits and Other Investigations Relating to Structured Finance Transactions

In the first half of 2009, the Milan Public Prosecutor's Office initiated investigations. The alleged crime is set out in Article 3 of Legislative Decree No. 74 of 10 March 2000 ("**Fraudulent misrepresentation by other devices**").

At the end of December 2010, the Regional Revenue Agency Departments of Liguria, Emilia Romagna, Latium and Sicily issued various notices of assessment for IRES and IRAP taxes (on corporate income and regional income, respectively) against UniCredit (both individually and as the incorporating company of Capitalia, UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia) in relation to structured finance transactions completed in the 2005 tax year. With respect to UniCredit Banca, the Regional Revenue Agency Department of Emilia Romagna issued notices of assessment against UniCredit for the 2004 tax year. The overall assessed amount of the above notices was €614.2 million, of which €136.3 million related to the 2004 tax year.

All the above banks carried out a transaction denominated in Turkish lira called "**DB Vantage**", which consisted of a repo transaction with an underlying bond issued by a British company of the Deutsche Bank group. In addition, in 2004 and 2005, UniCredit Banca carried out a repo transaction on the securities of a New Zealand company belonging to the Deutsche Bank group. Although, in the Company's view, these transactions generated higher profits for the banks compared to investments of a similar nature, UniCredit maintains that such transactions were carried out in the course of ordinary treasury operations and were not carried out for tax purposes.

All of the above notices of assessment alleged that the Group banks were "abusing rights". UniCredit Banca challenged the notices of assessment for IRES and IRAP taxes for the 2004 tax year. In May 2011, the Revenue Agency reduced the sanction for IRES tax from €82.8 million to €41.4 million. The total assessment thereafter was equal to €94.9 million. In addition, the act through which sanctions were imposed was challenged and the proceedings are pending before the Provincial Tax Court of Bologna.

With respect to the 2005 fiscal year, UniCredit paid €106.4 million (comprehensive of tax, interest and penalties) to settle the total assessment of €479 million.

On 1 March 2011, the Italian tax police commenced a tax investigation of structured finance transactions carried out by the above Group banks in the 2006, 2007, 2008 and 2009 tax years. Following that investigation, on 21 June 2011, the Italian finance police notified UniCredit of its findings (*Processi Verbali di Constatazione* – hereinafter the

"**PVC**") relating to UniCredit (both individually and as the incorporating company of Capitalia, UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia) and to UniCredit Corporate Banking concerning certain structured finance transactions, including the "Brontos" transaction, which consisted of a repo transaction, denominated in Turkish lira, between Barclays Plc and the above Group banks with underlying financial instruments issued by a Luxembourg company wholly owned by the Barclays group.

The PVC imposed taxes of €444.6 million, of which €269 million related to the Brontos transaction and €175.6 million related to other structured finance transactions carried out between 2006 and 2008.

On 18 October 2011, UniCredit was notified of a provisional seizure order (pursuant to art. 321, second paragraph, of the Italian code of criminal procedure) over €245,956,118.49 from UniCredit's accounts at the Bank of Italy, Milan branch. UniCredit requested a review of the seizure order and the related hearing was held on 22 November 2011.

On 28 November 2011, the Milan Court of Review cancelled the provisional seizure order and released UniCredit's accounts at the Bank of Italy.

On 29 December 2011, the Milan Public Prosecutor appealed the 28 November 2011 decision of the Court of Review, which annulled the prior seizure of €245,956,118.49 from UniCredit's accounts at the Bank of Italy, Milan Branch, to the Court of Cassation.

On 27 October 2011, the persons being investigated and their lawyers received notice that the investigation had been concluded.

In relation to the Brontos transactions:

- with respect to criminal findings, UniCredit, through its lawyers and according to the legal timetable, is examining the documents submitted to the Milan Public Prosecutor's Office at the end of the investigation, and
- with respect to tax matters, UniCredit challenged the substance of the PVC by submitting pleadings to the relevant Revenue Agencies in August 2011.

Based on the foregoing, UniCredit did not deem it necessary to make any provisions.

In relation to the other contested transactions, UniCredit made provisions, given their similarity to the transactions in the 2005 tax year for which UniCredit settled as well as other relevant circumstances.

In connection with another PVC dated 21 June 2011 concerning the 2006 tax year, UniCredit was proposed a settlement on 6 December 2011. On 7 December 2011, UniCredit paid for the settlement of the above PVC in the amount of €85,513,500, of which €67,302,103 related to taxes and €18,211,397 related to penalties and interest. The tax and penalties amount was covered in full by a specific provision.

Tax Proceedings in Austria

On 6 December 2011, a general tax audit of Bank Austria relating to the years 2003 to 2007 (*Betriebsprüfung*) was concluded. The outcome of the tax audit has not been finalised; however, on the basis of preliminary information, the economic impact could be around €21 million.

Tax Proceedings in Germany

UCB AG is currently subject to tax audits in Germany for the fiscal years 2002 through 2004, which are close to being finalised, and for the fiscal years 2005 through 2008. UniCredit believes that adequate tax provisions have been accrued.

In addition, UCB AG has notified the Munich tax authorities of the possibility of certain proprietary trading of UCB AG undertaken close to dividend dates and related withholding tax credits claimed by UCB AG. In this context, and in parallel, the Supervisory Board of UCB AG has commissioned external advisors to conduct an audit of such matters. This audit is fully supported by UniCredit.

Given that UCB AG has proactively disclosed this matter to the Munich tax authorities, UCB AG expects that the German Central Federal Tax Authority (*Bundeszentralamt für Steuern*) and the Munich tax authorities are likely to examine such transactions. Although German tax authorities have recently denied withholding tax credits in certain types of trades undertaken near dividend dates, there is no clear guidance from the highest German tax court on the tax treatment of such transactions. At this time, the impact of any review by the Federal Tax Authority and Munich tax authorities is unknown. Because the audit commissioned by the Supervisory Board is at a very early stage, it is not possible at this time to predict the outcome, including timing for any findings.

In relation to the above-described securities transactions, UCB AG could be subject to substantial tax and interest claims in relation to these matters, as well as fines and profit claw backs, and/or criminal exposure.

UCB AG is in communication with its relevant regulators regarding this matter.

Regarding the potential liability of UCB AG to the tax authorities for repayment of certain withholding tax credits granted to a client, see "- Client Proceeding Related to German Tax Credits".

Proceedings Related To Actions By The Regulatory Authorities

Italy

The UniCredit Group is subject to a significant degree of regulation and supervision by the Bank of Italy, CONSOB, the European Central Bank and the European system of Central Banks, as well as other local regulators. As a consequence, the UniCredit Group is subject to normal supervisory activities by the relevant authorities. Some of these ordinary course supervisory activities have resulted in investigations and alleged irregularities, which are still pending as of the date of this Prospectus. In such

circumstances, the UniCredit Group has endeavoured to demonstrate the correctness of its conduct. The UniCredit Group believes these investigations will not have material adverse effects on its business.

In particular, during recent years, some Group companies[3], including UniCredit, have been subject to inspections by CONSOB concerning Cirio bonds, sovereign bonds issued by the Republic of Argentina and certain operations with derivative financial instruments. Following the completion of such inspections and reviews, CONSOB commenced certain administrative proceedings against managers of the banks involved.

Some of these proceedings regarding the alleged failure to comply with regulations and internal procedures concerning investment services are still pending. The UniCredit Group has acted to demonstrate the correctness of the actions by the companies and managers involved. In some of these cases, however, the proceedings have led to fines against managers, some of whom also hold offices at UniCredit, who are jointly and severally responsible together with the banks involved.[4]

In 2008, CONSOB investigated certain Group companies for their role as placement manager and sponsor in connection with the offer and listing of shares in an Italian company. The Group defended their actions and disputed the facts. However, the proceeding, which resulted in the imposition of a pecuniary administrative penalty against an employee of the Group, is still pending. In December 2010, CONSOB imposed pecuniary administrative sanctions against certain executives of a Group company as well as that company itself.[5]

In 2008, the Bank of Italy began investigating the following: derivatives; internal audit structures; retail loan management; liquidity management (in cooperation with the OeNB and BaFin); business continuity; money laundering; corporate credit risk; leasing activities and reporting and control procedures. Upon discovering irregularities in certain reporting and control procedures, the Bank of Italy imposed pecuniary administrative penalties against some of the Group's corporate representatives.[6] In light of the above investigations, the Group implemented corrective measures intended to overcome any negative findings. The action plans prepared by the Group to correct such negative findings have been substantially in compliance with applicable deadlines. The action plans are monitored by managers with certain corporate or control functions and periodically brought to the attention of the supervisory authority.

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[3] Some of which have been incorporated into UniCredit as of 1 November 2010.

[4] Such representatives include the Vice Chairman of the Board of Directors, Fabrizio Palenzona (as director of a company controlled by UniCredit), the Statutory Auditor Vincenzo Nicastro (as statutory auditor of a company controlled by UniCredit), the Statutory Auditor Michael Rutigliano (as Chairman of the Board of Auditors and standing auditor at two companies controlled by UniCredit) and the Executive with Strategic Responsibility, Roberto Nicastro (acting as a member of the Board of Directors of a UniCredit subsidiary), received pecuniary administrative sanctions by CONSOB for €12,300, €16,200, €36,200 and €11,700, respectively.

[5] Such representatives include the Director Donato Fontanesi (as member of the Board of Directors of a company controlled by UniCredit), that received pecuniary administrative sanctions by CONSOB for €18,400.

[6] These sanctions involved, in particular, managers with Strategic Responsibilities: Ranieri De Marchis for €28,000; Marina Natale for €18,000; and Nadine Farida Faruque for €14,000.

During the second half of 2011, the Bank of Italy carried out an inspection aimed at assessing the governance, management and control of credit risk, focusing on the small business segment. The related outcomes are expected within the first quarter of 2012. In August 2008, the AGCM sanctioned UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia and Bipop Carire S.p.A. (now incorporated in UniCredit) for allegedly engaging in unfair trade practices with respect to the transferability of loans. The Group companies appealed those sanctions.[7] In December 2010, the Council of State ruled in favour of the Group companies and overturned the sanctions.

In December 2008, the AGCM, sanctioned UniCredit Banca (now UniCredit) for approximately €1.5 million for having entered allegedly harmful competition agreements, dating back to 1996, relating to the management of the cash flows of INAIL, the Italian workers compensation authority. While the company appealed the sanctions, the proceedings are still pending.

In July 2009, the AGCM initiated an investigation to ascertain if UniCredit, together with MasterCard™ and other banks[8], have entered into agreements that restrict competition in the credit card industry. In November 2010, the AGCM imposed pecuniary administrative penalties[9] against UniCredit and other banks for anti-competition violations relating to credit cards. UniCredit and the other banks appealed the penalties to the regional court of Lazio, which in July 2011 overturned the penalties. In November 2011, the AGCM appealed to the Council of State against the above judgment of the regional court of Lazio; the appeal is pending.

In July 2009, the AGCM reopened an investigation into UniCredit Banca di Roma (now UniCredit) over allegedly unfair trade practices in connection with, among other things, the calculation of commissions derived from current accounts based on customer-provided information. The suspect company had previously been the target of a prior December 2008 investigation that failed to materialize any proof of wrongdoing. The investigation was reopened as regulations concerning maximum allowable overdraft fees were adopted pursuant to Law Decree No. 185 of 29 November 2008 as converted into Law 2 of 28 January 2009. However, on 22 December 2009, the AGCM ended its investigation, providing only a general report on the economic impacts of the new law to the Italian Parliament, Government and the Bank of Italy.

In December 2009, the AGCM commenced proceedings against UniCredit Banca di Roma (now UniCredit) alleging unfair trade practices with respect to mortgage forgiveness. The AGCM subsequently added UniCredit Family Financing Bank (now UniCredit) to the proceedings. In May 2010, pecuniary administrative sanctions of

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[7] In particular, the administrative pecuniary sanctions imposed by the AGCM which were subsequently annulled were: UniCredit Banca and UniCredit Banca di Roma (€500,000); Banco di Sicilia (€450,000); and Bipop Carire S.p.A. (Euro 420,000).

[8] Particularly, Banca Monte dei Paschi di Siena S.p.A., Banca Nazionale del Lavoro S.p.A., Banca Sella Holding S.p.A., Barclays Bank plc, Deutsche Bank S.p.A., Intesa Sanpaolo S.p.A. and Istituto Centrale delle Banche Popolari Italiane S.p.A.

[9] The total amount of sanctions was €6,030,00 of which €380,000 applied to UniCredit.

€150,000 were imposed against only UniCredit Banca di Roma, which appealed to the regional court. The proceedings are still pending.

In February 2010, the AGCM commenced proceedings against UniCredit Banca di Roma (now UniCredit) alleging unfair trade practices with respect to the closing of bank accounts. In July 2010, penalties of €50,000 were imposed. Thereafter, UniCredit Banca di Roma appealed to the regional court. The proceedings are still pending.

In April 2010, the AGCM commenced proceedings against a Group company, FinecoBank, alleging unfair trade practices with respect internet advertising. In August 2010, pecuniary administrative penalties of €140,000 were imposed. Thereafter, FinecoBank appealed to the regional court. The proceedings are still pending.

In August 2011, the AGCM commenced proceedings against and requested related information from UniCredit and another Group company, Family Credit Network S.p.A., alleging unfair trade practices in connection with an advertisement offering funding. In September 2011, UniCredit and Family Credit Network S.p.A. responded to the AGCM's information requests. The AGCM issued sanctions of €70,000 and €50,000 against UniCredit and Family Credit Network S.p.A., respectively. As at the date of this Prospectus, UniCredit and Family Credit Network S.p.A. are evaluating whether to appeal those sanctions to the administrative regional court.

Germany

Various regulators that exercise oversight of UCB AG's operations, including the German Central Bank, BaFin and the FSA, have conducted audits and/or reviews of UCB AG's risk management and internal control systems, and highlighted concerns (which were also the subject of additional internal and external UCB AG audits) about the extent to which such systems are fully compliant with applicable legal and regulatory requirements in Germany. At the beginning of 2010, UCB AG began a comprehensive programme to address those risks that it deemed to be material, and continues to work in strict coordination and under the overall supervision of UniCredit's Group Risk Management Department to rectify the concerns raised and to ensure that Group-wide risk management policies are deployed in accordance with UniCredit policy. In addition, as a result of discussions with BaFin regarding these matters, and after informing the Bank of Italy, UniCredit and UCB AG have undertaken to maintain within UCB AG a minimum solvency ratio (13 per cent. of the Total Capital Ratio at the date of this Prospectus) that exceeds the statutory minimum required in order to address BaFin's concern that there be sufficient capital within UCB AG to absorb any losses that could result from shortcomings in its risk management polices, until such shortcomings are addressed to BaFin's satisfaction. Progress on actions undertaken have been, and will continue to be, regularly reported by UCB AG to both UniCredit and to the relevant regulators, including the Bank of Italy and BaFin.

Poland

In the course of its business activity, Bank Pekao is subject to various inspections, controls and investigations or explanatory proceedings carried out by different regulatory authorities, including, in particular: (i) the Polish Financial Supervision Authority ("**PFSA**"), (ii) the anti-trust authority ("**UOKiK**") within the scope of the protection of market competition and consumers' collective rights, (iii) the relevant authority for the supervision of personal data protection ("**GIODO**"), and (iv) the relevant authorities for preventing and combating money-laundering and the financing of terrorism.

The PFSA conducts on a regular basis periodical audits with respect to the entire activity and financial condition of the bank. The most recent general audit took place in 2008. The PFSA discovered certain irregularities in Bank Pekao's operations relating to, among other things, credit, liquidity, market and operational risk management as well as certain infringements of specific provisions of Polish law and Bank Pekao's internal regulations. The PFSA issued specific recommendations for Bank Pekao but no fines were imposed on the bank. Bank Pekao prepared the schedule for the implementation of these recommendations and periodically reported to the PFSA on their fulfilment. The recommendations have already been implemented according to the presented schedule.

At the end of 2010, the PFSA conducted an extensive issue-oriented inspection that covered, in particular, the following: (i) the implementation of selected post-inspection recommendations resulting from the general audit in 2008, (ii) the monitoring of risks relating to investment in Bank Pekao's Ukrainian subsidiary, (iii) the functioning of Bank Pekao's Business Continuity Plan, and (iv) the outsourcing of IT and e-banking services to foreign entrepreneurs by Bank Pekao. During the inspection certain irregularities were discovered and specific recommendations were issued; however, neither fines or other penalties were imposed against Bank Pekao. Bank Pekao prepared the schedule for the implementation of these recommendations and periodically reported to the PFSA on their implementation. The recommendations have already been implemented according to the presented schedule.

Between 2007 and 2011, the PFSA conducted other regulatory inspections focusing on specific issues, in particular: (i) the activity related to the custody of assets of certain open pension funds and employer pension funds, (ii) the compliance with the regulations on preventing and combating money-laundering and the financing of terrorism, (iii) the activity of Bank Pekao's brokerage house, (iv) the management of personal data in relation to brokerage activities and the management of guaranteed accounts, (v) deposit taking and (vi) other control procedures. As a result of these inspections, the PFSA issued certain recommendations which were followed by the bank.

Over the past five years, other regulatory proceedings were also initiated, including:

- anti-trust proceedings against operators of Visa™ and Europay™ systems and Polish banks issuing Visa™ and MasterCard™ credit cards in relation to the use of alleged anti-competitive practices that influenced the Polish payment card market. The UOKiK ruled that such practices restricted the competition on the relevant market,

ordered the banks for refrain from these practices and imposed sanctions. The sanctions imposed on Bank Pekao amounted to approximately PLN 16.6 million (approximately €3.7 million). Bank Pekao appealed the UOKiK's decision. On 12 November 2008, the Antimonopoly Court withdrew the UOKiK's sentence. The UOKiK then filed an appeal against the Antimonopoly Court's decision. On 22 April 2010, the Court of Appeal reversed the decision of the Antimonopoly Court and transferred the case to the Antimonopoly Court for re-examination. As of the date of this Prospectus, the proceedings are still pending;

- an explanatory investigation by the UOKiK regarding the compliance with the consumers' law of the cash loan agreement models applied by Bank Pekao. In 2010, the UOKiK fined Bank Pekao. The fine imposed was PLN 1.9 million (approximately €500,000). In January 2011, Bank Pekao appealed to the Antimonopoly Court. The proceedings are pending; and
- proceedings against UniCredit CAIB Securities UK Limited ("**UniCredit CAIB**"), now a branch of UCB AG, regarding the publication of research reports with a "target price" of zero. In 2011, the PFSA fined UniCredit CAIB. The fine was PLN 500 thousand (approximately €125,000). UniCredit CAIB appealed the fine and such appeal is currently pending.

Austria

As a licensed credit institution, Bank Austria is subject to the Austrian banking act (*Bankwesengesetz – "***BWG***"*) and hence, to the detailed regulation of and supervision by the Austrian financial market authority (*Finanzmarktaufsicht* - "**FMA**") and the *Oesterreichische Nationalbank* ("**OeNB**").

OeNB and FMA conducted a review focusing on liquidity risk management of Bank Austria from February to May 2009 as part of a joint review process of regulators on the UniCredit Group. A report was issued with regard to UniCredit Group (including, among others, Bank Austria) finding several insufficient liquidity risk management procedures and policies.

In 2010, OeNB and FMA jointly audited the credit portfolio of BA and certain of its subsidiaries in CEE countries and found several of the then applicable risk management and risk control mechanisms regarding credit risk in the CEE countries to be insufficient. As a result, OeNB and FMA concluded, in their audit report, that comprehensive credit risk management of the overall BA Group was not possible.

To address the deficiencies set out in the regulator's report, BA formulated, and is currently in the process of implementing, an action plan, which is expected to be completed by the end of 2012. To date, approximately 50 per cent. of the measures of the action plan have been implemented. The success of the action plan at systematically reducing the deficiencies is being monitored by the management board and the supervisory board of BA on a regular basis and by the FMA on the basis of quarterly

reports prepared by BA. FMA has not yet objected to the appropriateness of the action plan or the implementing measures taken by BA.

CEE countries

Other Group companies operating in the CEE countries are subject to regular oversight activities, including inspections, audits and investigations or other fact-finding proceedings, by local regulatory authorities. These authorities carry out their activities with varying frequencies and methods, depending, among other things, on the country and the financial condition of Group company. As a result, local regulatory authorities may require Group companies to adopt certain organisational measures and/or impose sanctions or fines.

UniCredit, its subsidiaries and entities in which it has an investment are subject to scrutiny by competition authorities from time to time. Currently, there are investigations underway in Hungary (UniCredit Bank Hungary ZrT) and Turkey (Yapi ve Kredi Bankasi A.S.), which are at a very early stage.

UK

Several UniCredit branches are subject to the supervision of the FSA or other local regulators in the UK.

In 2010, the FSA audited the London branches of UniCredit and UCB AG in connection with their investment banking activities. The FSA found irregularities in the reporting and control activities of UCB AG and imposed operating limits subject to UCB AG's successful remediation of those irregularities. UCB AG has since adopted an action plan aimed to remedy those irregularities and share monitoring and regulating responsibilities with UniCredit. In 2010, the FSA imposed a penalty of GBP 630 thousand against a "special purpose vehicle" formed by UCB AG for violating principles and rules relating to mortgages issued by the FSA.

PRINCIPAL SHAREHOLDERS

As of 17 January 2012, UniCredit's share capital, fully subscribed and paid-up, amounted to €12,148,463,316.00 and comprised 1,929,849,069 shares without nominal value, of which 1,927,425,171 are ordinary shares and 2,423,898 are savings shares. UniCredit's ordinary shares are listed on the Italian, German and Polish regulated markets. The shares traded on these markets have the same characteristics and confer the same rights on the holder. UniCredit's savings shares (shares without voting rights and with preferential economic rights) are only listed on the Italian regulated market.

As of 17 January 2012, the following shareholders held, directly or indirectly, more than 2 per cent. of UniCredit's ordinary shares:

Shareholder	Ordinary Shares	Percentage of Share Capital
		(%)
Mediobanca – Banca di Credito Finanziario S.p.A.	101,129,378[1]	5.247
Aabar Luxembourg Sarl	96,200,000	4.991
Central Bank of Libya Group	96,142,187	4.988
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno and Ancona	81,155,000	4.211
Fondazione Cassa di Risparmio di Torino	63,973,492	3.319
BlackRock Inc	59,887,822	3.107
Libyan Investment Authority[2]	50,000,000	2.594
Capital Research and Management Company	49,095,769	2.547
Gruppo Allianz	39,384,729	2.043
Carimonte Holding S.p.A[3]	25,080,099	1.301

Notes:—

(1) No. 96,756,406 shares in connection with CASHES are granted in usufruct to UniCredit and pledged to the lender Bank of New York (Luxembourg) S.A.. For the entire duration of the usufruct, the voting rights on such shares are suspended. For further information, see "-Recent Developments–Contracts Relating to CASHES".

(2) Shareholding subject to the restrictive measures provided by Regulation (EU) No. 204/2011 dated 2 March 2011, as subsequently modified by Regulation (EU) No. 1360/2011 of 20 December 2011, and by Implementing Regulation (EU) No. 233/2011 dated 10 March 2011. The exercise of the administrative and economic rights related to the shares held is frozen, pursuant to the provisions of the aforementioned measures.

(3) In addition, Carimonte Holding S.p.A. is a lender in respect of an additional 31,000,000, equal to 1.608 per cent., of UniCredit's ordinary shares.

According to Clause 5 of UniCredit's articles of association, no one entitled to vote may vote, for any reason whatsoever, for a number of shares exceeding 5 per cent. of the share capital bearing voting rights. For the purposes of computing said threshold, one must take into account the global stake held by the controlling party, (be it a private individual, legal entity or company), all subsidiaries – both direct and indirect – and affiliates, as well as those shares held through trustee companies and/or third parties and/or those shares whose voting rights are attributed for any purpose or reason to a party other than their owner; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates, on the other hand, must not be taken into consideration.

MATERIAL CONTRACTS

UniCredit has not entered into any contracts which could materially prejudice its ability to meet its obligations under the Notes or the Guarantee.

MANAGEMENT

Board of Directors

UniCredit's Board of Directors is responsible for the ordinary and extraordinary management of the Group and it may delegate its powers to one or more chief executive officers (CEOs).

The Board is elected by UniCredit's shareholders at a general meeting for a three-year term, unless a shorter term is fixed upon appointment, and individual directors may be re-elected following the expiration of their terms of office. Under UniCredit's by-laws, the Board may consist of nine to 24 directors.

As of the date of this Prospectus, UniCredit's Board of Directors is composed of 20 members. The directors will remain in office until the date of UniCredit's shareholders' meeting called to approve UniCredit's financial statements for the financial year ended 31 December 2011.

The Board may appoint one or more general managers and/or one or more deputy general managers and determine each manager's responsibilities and functions. In addition, the Board may appoint a general manager, alternatively to the chief executive officer, and one or more deputy general managers. The board has appointed Mr. Federico Ghizzoni as CEO.

The following table sets forth the current members of UniCredit's Board of Directors.

Name	Office
Dieter Rampl[(1)]	Chairman
Luigi Castelletti[(2)]	Deputy Vice Chairman
Farhat Omar Bengdara [(2)]	Vice Chairman
Vincenzo Calandra Buonaura[(2)]	Vice Chairman
Fabrizio Palenzona[(1)]	Vice Chairman
Federico Ghizzoni[(3) (4)]	CEO
Giovanni Belluzzi[(2)]	Director
Manfred Bischoff[(2)]	Director
Donato Fontanesi[(2)]	Director
Francesco Giacomin[(1)]	Director
Friedrich Kadrnoska[(2)]	Director
Marianna Li Calzi[(2)]	Director
Luigi Maramotti[(2)]	Director
Antonio Maria Marocco[(2)]	Director
Carlo Pesenti[(2)]	Director
Lucrezia Reichlin[(2)]	Director
Hans-Jürgen Schinzler[(2)]	Director
Theodor Waigel[(2)]	Director

Name	Office
Anthony Wyand[(2)]	Director
Franz Zwickl[(2)]	Director

Notes:—

(1) Director meets independence requirements pursuant to Article 148 of the Consolidated Financial Act.

(2) Director meets independence requirements pursuant to Article 148 of the Consolidated Financial Act and Article 3 of the Italian self-governance code of Borsa Italiana for listed companies (the "**Corporate Governance Code**").

(3) Director does not meet independence requirements pursuant to Article 148 of the Consolidated Financial Act or Article 3 of the Corporate Governance Code.

(4) Director coopted on 30 September 2010 following the resignation of Mr. Alessandro Profumo (21 September 2010) and confirmed by the Shareholders' Meeting on 29 April 2011.

The business address for each of the foregoing directors is the Issuer's Headquarters.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

Dieter Rampl:

- Vice Chairman of Mediobanca S.p.A.
- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Chairman of the Supervisory Board of Koenig & Bauer AG
- Member of the Supervisory Board of FC Bayern München AG
- Member of the Board of Directors of KKR Management LLC (New York)
- Vice Chairman of I.S.P.I. – Institute for International Political Studies
- Member of the Board of A.I.R.C. – Italian Association for Cancer Research
- Member of the Board of Aspen Institute Italia
- Member of the Trilateral Commission – Gruppo Italia
- Chairman of the Managing Board of Hypo-Kulturstiftung
- Chairman of Gesellschaft zur Förderung der Münchener Opernfestspiele e.V.
- Member of the Board of Directors of ICC International Chamber of Commerce

Luigi Castelletti:

- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Member of the Managing Board of the Federation of Banks, Insurance Companies and Finance
- Member of the Supervisory Body of Cattolica Assicurazione S.p.A.
- Chairman of the Supervisory Body of BCC Assicurazioni S.p.A.

- Chairman of the Supervisory Body of Berica Vita S.p.A.
- Chairman of the Supervisory Body of Duomo-Unione Assicurazioni S.p.A.
- Chairman of the Supervisory Body of San Miniato Previdenza S.p.A.
- Chairman of the Supervisory Body of Tua Assicurazioni S.p.A.
- Liquidator of Favini S.p.A.

Farhat Omar Bengdara:

- Shareholder with personal liabilities in Noor – Consultancy JLT Dubai - UAE

Vincenzo Calandra Buonaura:

- Member of the Board of Directors of Credito Emiliano S.p.A.
- Member of the Board of Directors of A.B.I. – Italian Banking Association

Fabrizio Palenzona:

- Chairman of ADR S.p.A.
- Chairman of AVIVA Italia S.p.A.
- Chairman of Assaeroporti S.p.A. - Associazione Italiana Gestori Aeroporti
- Chairman of FAISERVICE SCARL
- Chairman of AISCAT (Associazione Italiana Società Concessionarie Autostrade e Trafori)
- Chairman of AISCAT SERVIZI S.r.l.
- Honorary Chairman of ASECAP – Association Europeène des Concessionaires d'Autoroutes et d'Ouvrages à Peage
- Honorary Chairman of CONFTRASPORTO
- Chairman of Gemina S.p.A.
- Member of the Board of Directors of Mediobanca S.p.A.
- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Member of the Board of Directors of Fondazione Cassa di Risparmio di Alessandria
- Member of the Executive Committee of Giunta degli Industriali di Roma

Federico Ghizzoni:

- Member of the Board of Directors and the Executive Committee of A.B.I. – Italian Banking Association
- Chairman of Associazione Filarmonica della Scala

- Member of the Management Committee of the Shareholders' Agreement of Mediobanca S.p.A.
- Member of the IIEB (Institut International d'Etudes Bancaires)
- Member of IMC International Monetary Conference (Washington)
- Member of the EFR European Financial Services Roundtable - Brussels
- Member of the Council for Italy – US relations

Giovanni Belluzzi:

- Chairman of the Board of Directors of AREL Servizi S.r.l.
- Member of the Board of Directors of Giovanni Carocci Editore S.p.A.
- Member of the Boar of Directors of Green Source Poland sp. z.o.o.
- Chairman of the Board of Statutory Auditors of AIMAG S.p.A.
- Member of the Board of Statutory Auditors of Amazzonia 90
- Member of the Board of Statutory Auditors of Banca Emilvenenta S.p.A.
- Chairman of the Board of Statutory Auditors of Centro Editoriale Dehoniano S.p.A.
- Chairman of the Board of Statutory Auditors of CER Consorzio Emiliano Romagnolo a r.l.
- Auditor of Consorzio per l'Editoria Cattolica
- Chairman of the Board of Statutory Auditors of Costruzioni Elettroferroviarie Meccaniche Edili Stradali S.p.A. (CEMES S.p.A.)
- Chairman of the Board of Statutory Auditors of Dehoniana Libri S.p.A.
- Chairman of the Board of Statutory Auditors of ENI Trading & Shipping S.p.A.
- Member of the Board of Statutory Auditors of Ferrari Erio &C. S.p.A.
- Chairman of the Board of Statutory Auditors of Fondazione San Carlo
- Member of the Supervisory Board of Fondo GIBA
- Member of the Board of Statutory Auditors of Franco Panini Scuola S.p.A.
- Member of the Board of Statutory Auditors of Luisa Spagnoli S.p.A.
- Member of the Board of Statutory Auditors of Mar Plast S.p.A.
- Chairman of the Board of Statutory Auditors of SIRIA S.p.A.
- Member of the Board of Statutory Auditors of SPAIM S.r.l.
- Member of the Board of Statutory Auditors of SPAMA S.r.l
- Member of the Board of Statutory Auditors of SPAPI S.r.l.

- Member of the Board of Statutory Auditors of Trans Tunisian Pipeline Co. Ltd

Manfred Bischoff:

- Chairman of the Supervisory Board of Daimler AG
- Member of the Supervisory Board of Fraport AG
- Member of the Supervisory Board of Royal KPN N.V.
- Chairman of the Supervisory Board of SMS GmbH
- Chairman of the Supervisory Board of Voith GmbH

Donato Fontanesi:

- Chairman of the Coopsette Foundation

Francesco Giacomin:

- Chairman of "Fornace per l'innovazione" Foundation
- Chairman of Industrial Park Sofia AD
- Chairman of Fidiprof Nord, Società Cooperativa – Milano
- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Member of Commissione Amministratrice Fondo di Previdenza "G. Caccianiga"
- Director of I Tigli 2, Societa Cooperativa Onlus
- Chairman of Danubio Real Estate Management and Partner
- Partner of Balcania S.r.l.
- Partner of Partimest S.r.l.

Friedrich Kadrnoska:

- Member of the Executive Board of Privatstiftung zur Verwaltung von Anteilsrechten
- Chairman of the Supervisory Board of Wienerberger AG
- Chairman of the Supervisory Board of Österreichisches Verkehrsbüro AG
- Vice Chairman of the Supervisory Board of Allgemeine Baugesellschaft – A. Porr AG
- Member of the Board of Directors of Wiener Privatbank SE
- Chairman of the Supervisory Board of CEESEG AG
- Member of the Supervisory Board of Card complete Service Bank AG
- Chairman of the Supervisory Board of Wiener Börse AG
- Partner of A&I Beteiligung und Management GmbH

Marianna Li Calzi:

- Member of the Commissione per il Futuro di Roma Capitale – Comune di Roma
- Member of the Board of Directors of Civita Sicilia S.r.l.

Luigi Maramotti:

- Vice Chairman of Credito Emiliano S.p.A.
- Vice Chairman of Credito Emiliano Holding S.p.A.
- Member of the Board of Directors of COFIMAR S.r.l.
- Chairman of Diffusione Tessile S.r.l.
- Sole Director of Dartora S.r.l.
- Chairman of Fintorlonia S.p.A.
- Chairman of Imax S.r.l.
- Chairman of Istituto Immobiliare Italiano del Nord S.p.A.
- Vice Chairman of Manifatture del Nord S.r.l.
- Vice Chairman of Marella S.r.l.
- Vice Chairman of Marina Rinaldi S.r.l.
- Chairman of Max Mara S.r.l.
- Vice Chairman of Max Mara Fashion Group S.r.l.
- Vice Chairman of Max Mara Finance S.r.l.
- Chairman of Maxima S.r.l.
- Chairman of Finca y Comercio de Gratia S.A.
- Chairman of International Fashion Trading S.A.
- Member of the Board of Directors of Max Mara S.a.S.
- Member of the Board of Directors of Max Mara Japan Ltd.
- Chairman of Max Mara Hosiery S.r.l.
- Chairman of Max Mara USA Inc.
- Chairman of Max Mara USA Retail Inc.
- Partner of Cams S.r.l.
- Member of the Board of Directors of Madonna dell'Uliveto Soc. Coop.
- Chairman of Unity R.E. S.p.A.

Antonio Maria Marocco:

- Member of the Board of Directors of Reale Mutua di Assicurazioni S.p.A.
- Member of the Board of Directors of Reale Immobili S.p.A.
- Member of "Consiglio di Sovrintendenza" of IOR – Istituto per le Opere di Religione Vaticano
- Member of the Board of Directors of the Editrice La Stampa
- Partner of Officine Meccaniche Giovanni Cerutti S.p.A.
- Major Partner of Cerfin S.p.A.
- Major Partner of Corembo Società Semplice Immobiliare

Carlo Pesenti:

- General Manager, Member of the Board of Directors and Member of the Executive Committee of Italmobiliare S.p.A.
- Vice Chairman of Ciments Français S.A.
- Member of the Board of Directors and of the Executive Committee of RCS Media Group S.p.A.
- Member of the Board of Directors of Mediobanca S.p.A.
- Managing Director and Member of the Executive Committee of Italcementi S.p.A.
- Independent Director of Ambienta Sgr

Lucrezia Reichlin:

- Full Professor and Director of Department of Economics, London Business School
- Resear zh Director, Center for Economic Policy Research
- Co-founder and Director of Now – Casting Economics Limited

Hans-Jürgen Schinzler:

- Chairman of the Supervisory Board of Munich Reinsurance Company
- Treasurer and Member of the Senate of Max-Planck-Gesellschaft zur Förderung der Wissenschaften e.V.
- Chairman of Wittelsbacher Ausgleichsfonds
- Chairman of the Board of Trustees of Münchener Rück Stiftung
- Member of the Supervisory Board of Metro AG
- Member of the Board of Trustees of Deutsche Telekom Stiftung
- Member of the Board of Directors of Freundeskreis des Bayerischen Nationalmuseums e.V.
- Member of the Board of Trustees of Jürgen Ponto-Stiftung

- Member of the Board of Trustees of Hypo-Kulturstiftung
- Member of the Board of Trustees of Gemeinnützige Hertie-Stiftung
- Member of the Board of Trustees of Konzertgesellschaft München e.V.
- Member of the Board of Trustees for the State of Bavaria of Stifterverband für die Deutsche Wissenschaft
- Member of the Board of Trustees of Stiftung Demoskopie Allensbach

Theodor Waigel:

- Member of the Supervisory Board of Aachen/Münchener Versicherung AG
- Member of the Supervisory Board of Aachen/Münchener Lebenversicherung AG
- Member of the Supervisory Board of Deutsche Vermögensberatung AG
- Chairman of the Supervisory Board of NSM Lowen Entertainment GmbH
- Member of the Supervisory Board of AGCO Fendt GmbH
- Member of the Supervisory Board of Bayerische Gewerbebau AG
- Member of the European Advisory Board of Eli Lilly and Company
- Member of General Council of Assicurazioni Generali S.p.A.
- Member of the Advisory Board of Deutscher Vermögensberatung AG

Anthony Wyand:

- Member of the Board of Directors of AVIVA France
- Member of the Board of Directors of Société Foncière Lyonnaise SA
- Vice Chairman of Société Générale

Franz Zwickl:

- Member of the Executive Board of Privatstiftung zur Verwaltung von Anteilsrechten
- Member of the Executive Board of Mischek Privatstiftung
- Member of the Executive Board of Österreichische Gewrkschaftliche Solidarität Privatstiftung
- Member of the Executive Board of Venus Privatstiftung
- Member of the Executive Board of Wiener Wissenchafts- und Tecnologiefonds
- Chairman of the Board of Directors of Wiener Privatbank SE
- Member of the Supervisory Board of Öesterreichische Kontrollbank AG
- Member of the Supervisory Board of Card complete Service Bank AG
- Member of the Supervisory Board of Österreichische Verkehrsbüro AG

- Member of the Supervisory Board of CA Immobilien Anlagen AG
- Member of the Supervisory Board of Volksbank Romania S.A.
- Partner and Executive, Austrian Tax Advisory and Trustees Steuerberatung GmbH
- Partner and Executive, Franz Zwickl Beteiligungsverwaltung GmbH
- Partner and Executive, A&I Beteiligung und Management GmbH
- Partner, x.services systems GmbH
- Partner, Herakles Holding GmbH
- Partner and Executive, B70 Immobilienverwaltung OG
- Partner and Executive, Franz Zwick & Co Immobilienverwaltung
- Partner, SBV Social Business GmbH
- Executive of AVZ GmbH (A&B Banken-Holding GmbH)
- Executive of AVZ Finanz Holding GmbH (A&B Beteilugungsverwaltung drei GmbH)
- Executive of AVZ Holding GmbH (AVZ Holding drei GmbH)
- Executive of LVBG Luftverkehrsbeteiligungs GmbH

Senior Management

The following table sets out the name and title of each of the senior managers of the Issuer and of the Group:

Name	Title
Federico Ghizzoni...	Chief Executive Officer and General Manager
Roberto Nicastro.....	General Manager – responsible for F&SME, Private Banking and CEE and the overall activities of "Italy" managed by the Italy Country Chairman
Paolo Fiorentino	Deputy General Manager and Chief Operating Officer – responsible for organisational, operational and service functions (so-called "GBS" functions)
Jean-Pierre Mustier.	Deputy General Manager – Head of CIB
Nadine Farida Faruque	General Counsel & Group Compliance Officer
Kallol Karl Guha	Group Chief Risk Officer
Marina Natale	Chief Financial Officer and Manager in charge of preparing the Issuer's financial reports
Paolo Cornetta	Group Head of Human Resources
Ranieri de Marchis..	Head of Internal Audit

The business address for each of the foregoing members of UniCredit's Senior Management is UniCredit S.p.A., Piazza Cordusio, 2, 20123 Milan, Italy.

Board of Statutory Auditors

UniCredit's Board of Statutory Auditors is in charge of monitoring UniCredit's management and its compliance with laws, regulations and by-laws, assessing and monitoring the adequacy of the Issuer's organisation, internal controls, administrative, accounting systems and disclosure procedures, independence of the auditors and financial reporting procedures and of reporting any irregularities to CONSOB, the Bank of Italy and the shareholders' meetings called to approve the Group's financial statements

UniCredit's Board of Statutory Auditors was appointed by UniCredit's shareholders on 22 April 2010 for a three year term and its members may be re-elected. Under UniCredit's by-laws, the Board of Statutory Auditors consists of five statutory auditors, including a Chairman and two alternate statutory auditors.

The current members of UniCredit's Board of Statutory Auditors will remain in office until the annual general shareholders' meeting called to approve the Group's financial statements for the financial year ending 31 December 2012.

The following table sets forth the current members of UniCredit's Board of Statutory Auditors:

Name	Office
Maurizio Lauri	Chairman
Cesare Bisoni	Auditor
Vincenzo Nicastro....	Auditor
Michele Rutigliano ..	Auditor
Marco Ventoruzzo ...	Auditor
Massimo Livatino	Alternate Auditor
Paolo Domenico Sfameni	Alternate Auditor

Other principal activities performed by the Statutory Auditors of UniCredit are listed below:

Maurizio Lauri:

- Statutory Auditor of Tirreno Power S.p.A.
- Statutory Auditor of Acea Distribuzione S.p.A.

- Chairman of the Board of Statutory Auditors of Elektron Sigma Sistemi S.r.l. in liquidation
- Chairman of the Board of Statutory Auditors of Enerflus S.r.l.
- Statutory Auditor of Finnat Fiduciaria S.p.A.
- Statutory Auditor of Fedra Fiduciaria S.p.A.
- Chairman of the Board of Statutory Auditors of Rino Immobiliare S.p.A.
- Chairman of the Board of Statutory Auditors of Pratesi Service S.r.l.
- Chairman of the Board of Statutory Auditors of AFP Capital S.r.l.
- Chairman of the Board of Statutory Auditors of Lori S.p.A
- Chairman of the Board of Statutory Auditors of Rino Pratesi S.p.A.
- Chairman of the Board of Directors of RSM Tax & Advisory Italy S.r.l.

Cesare Bisoni:

- Member of the Board of Auditors of Fondazione Universitaria Marco Biagi

Vincenzo Nicastro:

- Member of the Board of Statutory Auditors of UniCredit Leasing S.p.A
- Extraordinary Commissioner of Carrozzeria Bertone S.p.A. in A.s.
- Director of Industria ed Innovazione S.p.A.
- Director of Reno de Medici S.p.A.
- Chairman of the Board of Directors of Red.IM S.r.l.
- Chairman of the Board of Statutory Auditors of Credit Agricole Private Equity Italia SGR S.p.A.
- Extraordinary Commissioner of Bertone S.p.A. in a.s.

Michele Rutigliano:

- Chairman of the Board of Statutory Auditors of Dicembre 2007 S.p.A.
- Statutory Auditor of Alerion Clean Power
- Statutory Auditor of Citifin S.r.l.
- Statutory Auditor of European Finance S.r.l.

Marco Ventoruzzo:

- Statutory Auditor of the Partito Democratico

All of the members of UniCredit's Board of Statutory Auditors are enrolled with the Register of Chartered Accountants of the Italian Ministry of Justice. The business

address for each of the members of UniCredit's Board of Statutory Auditors is UniCredit S.p.A., Via San Protaso, 3, 20121 Milan, Italy.

Conflicts of Interest

At the date of this Prospectus and to the best of UniCredit's knowledge, no member of UniCredit's managing and controlling bodies has any interest that conflicts with the obligations arising from their office or position held within UniCredit, except those that may concern operations put before the relevant bodies of UniCredit, in strict compliance with existing laws and regulations. Members of the managing and controlling bodies must comply with the following provisions aimed at regulating instances where a specific interest concerning the implementation of an operation exists:

- Article 136 of the Consolidated Banking Act imposes a particular authorisation procedure (a unanimous decision by the administrative body and the favourable vote of all members of the controlling body, as well as, where applicable, the agreement of the parent company) to be followed should a bank or company belonging to a banking group (i) enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with the relevant company officers, or (ii) contract loans with officers of another bank or company from the same banking group. The same provisions also apply to obligations with companies controlled by the aforementioned officers or at which such persons carry out management or control functions, as well as with subsidiaries or parents of these companies;

- Article 2391 of the Italian Civil Code obliges directors to notify fellow directors and the board of statutory auditors of any interest that they may have, on their own behalf or on behalf of a third party, in a specific company transaction, with the concerned director being required to abstain from carrying out this transaction if he/she is also the CEO; and

- Furthermore, in compliance with the existing provisions concerning transactions with related parties (i.e. Article 2391-*bis* of the Italian Civil Code and CONSOB Resolution No. 17221 dated March 12, 2010, and subsequent updates), UniCredit applies specific procedures in order to ensure the transparency and the substantive and procedural correctness of the transactions with related parties to be implemented, directly or through its subsidiaries. In respect of these rules and in compliance with international accounting standards, UniCredit's Board of Directors has adopted an internal procedure that provides specific criteria, methods and deadlines for the approval of such transactions. In accordance with the aforementioned provisions, the most significant transactions with related parties fall under the exclusive responsibility of UniCredit's Board of Directors, with the exception of the transactions falling under the responsibility of UniCredit's Shareholders' Meeting.

External Auditors

UniCredit's annual financial statements must be audited by external auditors appointed by UniCredit's shareholders. UniCredit's Board of Statutory Auditors will issue an explanatory recommendation for the appointment of external auditors, to be submitted to UniCredit's shareholders' Annual General Meeting ("**AGM**"). The shareholders' resolution and the Board of Statutory Auditors' opinion are communicated to CONSOB. The external auditors examine UniCredit's annual financial statements and issue an opinion on whether UniCredit's annual financial statements comply with the Italian regulations governing their preparation, are clearly stated and provide a true and fair view of the financial position and results of the Group. Their opinion is made available to UniCredit's shareholders prior to the AGM.

At UniCredit's AGM held on 4 May 2004, KPMG S.p.A. was appointed to act as UniCredit's external auditor for a period of three years and during UniCredit's general shareholders' meeting held on 10 May 2007, KPMG's engagement was extended for a further six years, so as to complete the nine-year period allowed by the Consolidated Financial Act.

RECENT DEVELOPMENTS

Listing as a Systematically Important Financial Institution (SIFIs)

UniCredit was included in the list of financial institutions of global systemic importance, published on 4 November 2011 by the Financial Stability Board. The banks included on that list, which will be updated annually, will be subject to increased oversight and will be required, in consultation with supervisory authorities, to prepare, by 2012, resolution and recovery plans to prevent the risk of its failure from driving systemic risk. In addition, those banks identified in November 2014 as globally systemically important using the BCBS methodology will be required to maintain the capacity to absorb additional losses through the accumulation of an additional capital buffer represented by Common Equity Tier 1 (the additional loss absorbing requirement).

Capital Strengthening Measures

On 15 December 2011, the EGM approved capital strengthening measures previously approved by the Board of Directors on 14 November 2011.

The measures approved by the EGM include:

- the capitalisation of the share premium reserve originated from the shares underlying CASHES through a free capital increase in order to maintain approximately €2.4 billion (out of a total of approximately €3 billion) as Tier 1 common equity, equivalent to approximately 50 basis points as at 30 September 2011 on a pro forma basis. The approximately €0.6 billion remaining will be computed as Additional Tier 1 capital from a regulatory perspective;

- the share capital increase by way of rights issue for a maximum total of €7.5 billion (the "**Rights Issue**"), expected to be carried out through an issuance of new ordinary shares with regular beneficial ownership rights by way of an offer of the

pre-emptive subscription rights to existing ordinary and savings shareholders of UniCredit;

- the change to UniCredit's dividend policy in order to increase capital management flexibility, introducing the option for the Board to propose to shareholders to receive a dividend in cash, or ordinary shares of the Issuer, or in a mix of both cash and ordinary shares. As part of the capital strengthening measures, UniCredit does not expect to pay a dividend in 2012 on 2011; and

the reverse stock split of UniCredit's ordinary and savings shares based on a ratio of 1 new ordinary or savings share for every 10 existing ordinary or savings shares (the "**Reverse Stock Split**"). UniCredit executed the Reverse Stock Split on 22 December 2011 with effect starting from 27 December 2011.On 20 December 2011, UniCredit issued €7.5 billion in bonds guaranteed by the Italian state. These bonds were used as collateral against UniCredit's borrowings from the ECB in late December 2011. On 2 January 2012, UniCredit issued an additional €7.5 billion in bonds guaranteed by the Italian state.

On 4 January 2012, The Board of Directors of UniCredit approved the terms and conditions and the timetable of the Rights Issue. The Rights Issue will be carried out through the issuance of no par value new ordinary shares, to be pre-emptively offered to existing holders of ordinary and savings shares of the Issuer at the price of €1.943 per share, at the subscription ratio of 2 new ordinary shares for every 1 ordinary and/or savings share held. The subscription price was determined by the Board of Directors taking into account, inter alia, market conditions and reflected a discount of approximately 43 per cent. with respect to the theoretical ex-rights market price of the ordinary shares prior to 4 January 2012.

As a result, a maximum of 3,859,602,938 new ordinary shares will be issued in the context of the Offering, increasing the Issuer's share capital by, and for an aggregate amount of the transaction of, €7,499,208,508.53.

The subscription period will lapse on or about 27 January 2012. Subscription rights which remain unexercised by such date will be offered pursuant to Article 2441 paragraph 3 of the Italian Civil Code.

EBA Capital Exercise and Stress Test

UniCredit, along with 90 other European banks, participated in the 2011 capital exercise and stress test conducted by the European Banking Authority ("**EBA**") in cooperation with the Bank of Italy, the ECB, the European Commission and the European Systemic Risk Board (the "**Stress Test**"). The banks participating in the Stress Test accounted for more than 65 per cent. of the total assets of the European banking system.

The purpose of the Stress Test was to evaluate the capacity of European banks to absorb additional macroeconomic shocks and to ascertain whether the current level of assets would be adequate to deal with hypothetical stress-inducing conditions.

In particular, the Stress Test assessed the asset levels of the participating banks against a benchmark Core Tier 1 Ratio of 5 per cent.. The adverse scenario employed by the ECB covered a two year time horizon (2011-2012), assuming that the balance sheets of the participating banks remained unchanged compared to December 2010. The Stress Test did not, however, consider the effects arising from corporate strategies, managerial initiatives or profitability forecasts, including those of UniCredit.

UniCredit's Core Tier 1 Ratio, estimated on a consolidated basis, decreased from 7.8 per cent. at the end of 2010 (calculated using the methodology set out by the EBA) to 6.7 per cent. at the end of 2012. UniCredit's performance did not consider the ordinary shares underlying the CASHES securities, which are, however, relevant for the determination of UniCredit's regulatory capital ratio (7.2 per cent. in 2012).

In addition, in October 2011, the EBA, in collaboration with the competent authorities, initiated a regulatory capital exercise with respect to 71 banks throughout Europe, including UniCredit. The exercise was aimed at creating an extraordinary and temporary capital buffer in order to weather the current financial and European sovereign debt crises and to restore stability and investor confidence in the Euro-Zone. This capital buffer is not intended to cover losses driven by sovereign exposure, but to reassure markets that banks have the ability to withstand further stress and maintain adequate capital levels. The Core Tier 1 Ratio, as defined by the EBA, will be required to be at or above 9 per cent. by the end of June 2012. Based on 30 September 2011 data, UniCredit's capital requirements are estimated at €7,974 million (compared to the estimated €7,379 million calculated in October 2011 based on data as at 30 June 2011). The increase was mainly due to the fact that (i) the October exercise took into account the sovereign debt securities held by the Group as at June 30, 2011 and (ii) the October exercise did not take into account the Group's economic results for the quarter ended September 30, 2011. The loss recorded in the third quarter of 2011 was mainly due to write-downs of goodwill and other intangible assets which, in accordance with the applicable accounting standards, are not included when calculating regulatory capital and, therefore, do not affect the calculation of capital requirements.

UniCredit will submit to the Bank of Italy a plan to achieve the 9 per cent. Core Tier 1 Ratio by June 2012. The plan must be submitted by 20 January 2012 and will be discussed with the competent national authorities and the EBA.

On the basis of data as at 30 September 2011, the restructuring of the CASHES and assuming the full subscription of the rights issue described in "- Capital Strengthening Measures", UniCredit will reach a Core Tier 1 Ratio of 9.4 per cent. (above the required 9 per cent.), resulting in an excess capital buffer of €1.7 billion.

Contracts relating to CASHES

In connection with UniCredit's 2009 capital increase, Mediobanca subscribed 967,564,061 ordinary shares (the "**Underlying Shares**"), which correspond to 96,756,406 ordinary shares after the Reverse Stock Split. In its role as designated bank (the "**Designated Bank**"), Mediobanca was allocated these shares for the issue of

CASHES by The Bank of New York (Luxembourg) S.A. as fiduciary bank (the "**Fiduciary Bank**"). CASHES are so-called equity-linked instruments which (i) grant the holder the right to request conversion into the UniCredit shares underwritten by the Designated Bank (or in any other number of shares deriving from the adjustments made in connection with extraordinary transactions over the course of the term of the loan, such as mergers, spin-offs and regrouping of shares – in line with market practices for such type of instruments), (ii) provide for the automatic conversion by a certain date (15 December 2050) or upon the occurrence of specific events[10] and (iii) grant holders the right to quarterly interest payments[11], if certain conditions are met.

On 23 February 2009, UniCredit and the Designated Bank signed a 30-year usufruct contract (the maximum term allowed by applicable law) regarding the UniCredit shares subscribed by the Designated Bank (the "**Usufruct Contract**").

Pursuant to the Usufruct Contract, among other things: (i) the voting rights of the UniCredit ordinary shares in usufruct shall be suspended during the life of the Usufruct Contract; (ii) the right to receive dividends shall be proportionally allocated to the other UniCredit shares and (iii) the option right relating to the Underlying Shares shall be held through the Designated Bank as bare owner (*nudo proprietario*).[12]

As consideration for the usufruct on the shares, the Usufruct Contract provides that UniCredit shall pay to the Designated Bank a quarterly fee in the amount of 3-months Euribor plus a spread of 450 basis points calculated on the amount of unconverted CASHES in the respective interest period. In addition, such fee shall be due and paid by UniCredit only if UniCredit pays a cash dividend and if its net profits were generated on the basis of its consolidated financial statements for the financial year prior to the year for which payments are due.[13]

In addition, pursuant to the swap agreement signed on 23 February 2009 between UniCredit and the Designated Bank, until all CASHES have been fully converted: (i) UniCredit has committed to pay the Designated Bank an amount equal to the excess of UniCredit's dividend yield over 8 per cent., to be calculated on the basis of the share price recorded in the 30 working days prior to the approval of the financial statements, (ii) following the expiration of the usufruct and lack of its renewal, UniCredit shall have

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[10] The conversion shall be automatic, among other cases, if: (i) after seven years from date of issue, the market price of UniCredit's ordinary shares on the MTA for at least 20 days in a period of 30 consecutive market days exceeds an amount equal to 150% of the reference price of USD3.083 (hence, USD4.625 barring subsequent adjustments); (ii) UniCredit's total capital ratio, individual or consolidated, descends below the threshold prescribed by the bank oversight regulations for the purposes of loss absorption in innovative capital instruments, currently equal to 8%; (iii) there is a breach by UniCredit of the payment obligations assumed according to the Usufruct Contract; (iv) UniCredit becomes or is declared insolvent or illiquid and (v) the Designated Bank becomes or is declared insolvent or illiquid.

[11] Quarterly payments to the bearers of CASHES substantially match the payments due by UniCredit according to the Usufruct Contract. If UniCredit fails to make the payments due according to the Usufruct Contract, the Fiduciary Bank will not pay the coupon to the holders of the CASHES.

[12] To the Issuer's knowledge, the structure of the CASHES is such as to allow holders thereof to participate in the Issuer's capital increases through the granting of the relative option rights.

[13] The fee may not exceed the difference between the adjusted consolidated profit for the year to which the financial statements relate and the cash dividend paid to shareholders. Adjusted consolidated profit means the consolidated net profit minus the aggregate amount of those items that would not be distributable pursuant to Italian civil law.

the right to receive from the Designated Bank an amount equal to any net dividends paid in connection with the UniCredit shares underlying the CASHES and (iii) following the expiration of the usufruct and lack of its renewal, UniCredit shall pay an amount equal to that paid in connection with the Usufruct Contract.

On 14 November 2011, the Board resolved to propose to the EGM certain measures, including the capitalisation of the share premium reserve originated by the shares underlying the CASHES through a capital increase for no consideration, pursuant to Article 2442 of the Italian Civil Code. Such action will allow UniCredit to strengthen its common equity, for regulatory purposes, through the transfer to UniCredit's Share Capital of €2,499,217,969.50 corresponding to the share premium reserve originated by the shares underlying the CASHES.

As the capital increase described above was approved by the EGM on 15 December 2011, and the Designated Bank subsequently approved such measures, the remuneration of the Usufruct Contract will be modified by linking the coupon to a fixed value of €0.63 per each underlying share, with no changes to the payment amounts due by UniCredit.

Strategic Plan

On 14 November 2011, UniCredit adopted a strategic plan to further strengthen its regulatory capital, including a fully underwritten rights issue. See "- Capital Strengthening Measures". UniCredit will ensure that it meets the required 9 per cent. Core Tier 1 ratio target by 30 June 2012 and to this end aims to submit to the competent national authority a capital plan setting out its proposed actions.

Standard & Poor's ratings

On 29 November 2011, Standard & Poor's Credit Market Services Italy S.r.l. ("**Standard & Poor's**") affirmed its "A" long-term and "A-1" short-term Ratings on UniCredit S.p.A. based on its new revised bank ratings criteria. The outlook remains negative.

Under the updated hybrid rating criteria Lower Tier 2 and Tier 1 issues have been downgraded one notch to "BBB+" and "BBB-" respectively. Upper Tier 2 notes have been affirmed at "BBB".

On 7 December 2011, UniCredit's "A/A-1" ratings, the ratings of some of UniCredit's subsidiaries and various issue ratings were placed on CreditWatch with negative implications.

Standard & Poor's is established in the European Union and registered under Regulation (EC) No 1060/2009. The list of registered or certified credit rating agencies is available on the website of the European Securities and Markets Authority at www.esma.europa.eu/page/List-registered-and-CRAs.

Moody's rating

On 16 November 2011, the rating agency Moody's Italia S.r.l. ("**Moody's**") placed UniCredit S.p.A.'s "C-" rating ("**Bank Financial Strength Rating**" or "**BFSR**"), the "A2" long-term, the "Prime-1"short-term deposit and senior debt ratings, as well as junior debt ratings on review for possible downgrade. At the same time some of UniCredit's subsidiaries have been placed under review for possible downgrade.

Moody's is established in the European Union and registered under Regulation (EC) No 1060/2009. The list of registered or certified credit rating agencies is available on the website of the European Securities and Markets Authority at www.esma.europa.eu/page/List-registered-and-CRAs.

Fitch ratings

On 11 October 2011, the support rating of UniCredit S.p.A. was downgraded to "2" (from "1") and the support rating floor to "BBB+" (from "A"). UniCredit S.p.A.'s long-term "A", short-term "F1" issuer default ratings and the stand alone viability rating "a" were put on rating watch negative. The individual "B/C" rating was affirmed.

On 20 December 2011, Fitch revised UniCredit's long-term issuer default rating to "A-" from "A", the short term to "F2" from "F1" and the viability rating to 'a-' from 'a'. The rating actions follow Fitch's recent rating actions on various sovereigns. Therefore UniCredit's ratings together with several other banks domiciled in Italy were also placed on rating watch negative.

Fitch is established in the European Union and registered under Regulation (EC) No 1060/2009. The list of registered or certified credit rating agencies is available on the website of the European Securities and Markets Authority at www.esma.europa.eu/page/List-registered-and-CRAs.

SUMMARY FINANCIAL INFORMATION OF UNICREDIT

Set out below is summary financial information of UniCredit, derived from the audited consolidated financial statements of UniCredit as at and for the years ended 31 December 2009 and 2010 (prepared in accordance with IFRS/IAS), which have been audited by KPMG S.p.A., and the consolidated interim report of UniCredit as at 30 September 2011 which was subject to limited review by KPMG. The consolidated interim report of UniCredit as at 30 September 2011 includes comparative information as at and for the nine months ended September 30, 2010 as restated to reflect reclassification within certain income statement line items from 2011. The 30 September 2010 comparative information derived from the consolidated interim report of UniCredit as at 30 September 2011 is unaudited. Such financial statements, together with the audit reports of KPMG S.p.A. and the accompanying notes, with the exception of the interim review report of KPMG S.p.A. for the period ended 30 September 2011 which is annexed to this Prospectus, are incorporated by reference into this Prospectus. The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See "Documents Incorporated by Reference" above.

UniCredit consolidated balance sheet

(*in thousands of euro*)	As at 31 December		As at 30 September
	2010	**2009**	**2011**
		(*Audited*)	(*Unaudited*)
Balance sheet – Assets			
Cash and cash balances	6,414,097	11,986,797	5,566,166
Financial assets held for trading	122,551,402	133,894,101	140,007,509
Financial assets at fair value through profit or loss	27,077,856	15,019,685	29,633,031
Available for sale financial assets	55,103,190	34,723,955	54,627,930
Held-to-maturity investments	10,003,718	10,662,472	8,943,683
Loans and receivables with banks	70,215,452	78,269,437	72,473,813
Loans and receivables with customers	555,653,360	564,986,015	562,446,843
Hedging derivatives	11,368,199	11,662,110	16,188,001
Changes in fair value of portfolio hedged items (+/-)	2,248,056	2,123,451	2,438,047
Investments in associates and joint ventures	3,963,087	3,866,437	3,681,625
Insurance reserves attributable to reinsurers	352	195	1,039
Property, plant and equipment	12,611,297	12,089,351	12,287,591
Intangible assets	25,592,159	25,822,597	15,563,002
of which – goodwill	20,428,073	*20,490,534*	11,528,615

Tax assets	12,961,052	12,577,082	13,519,254
(a) current tax assets	*1,674,735*	*2,415,786*	*1,493,294*
(b) deferred tax assets	*11,286,317*	*10,161,296*	*12,025,960*
Non-current assets and disposal groups classified as held for sale	776,014	622,297	375,693
Other assets	12,948,264	10,453,689	12,543,255
Total assets	**929,487,555**	**928,759,671**	**950,296,482**

UniCredit consolidated balance sheet (continued)

(*in thousands of euro*)	As at 31 December		As at 30 September
	2010	**2009**	**2011**
	(*Audited*)		(*Unaudited*)
Balance sheet – Liabilities			
Deposits from banks	111,735,094	106,800,152	139,475,528
Deposits from customers	402,248,191	381,623,290	392,516,820
Debt securities in issue	180,990,328	214,772,877	166,713,624
Financial liabilities held for trading	114,099,136	114,045,215	137,734,080
Financial liabilities at fair value through profit or loss	1,267,889	1,612,475	912,471
Hedging derivatives	9,680,850	9,918,947	12,439,080
Changes in fair value of portfolio hedged items (+/-)	2,798,376	2,759,960	4,826,084
Tax liabilities	5,836,890	6,451,072	5,873,281
(a) current tax liabilities	*1,464,819*	*1,987,780*	*1,297,333*
(b) deferred tax liabilities	*4,372,071*	*4,463,292*	*4,575,948*
Liabilities included in disposal groups classified as held for sale	1,394,769	311,315	259,708
Other liabilities	22,224,352	18,110,367	24,078,986
Provision for employee severance pay	1,201,833	1,317,523	1,092,929
Provisions for risks and charges	8,087,978	7,982,431	8,615,093
(a) post-retirement benefit obligations	*4,515,173*	*4,590,628*	*4,524,153*
(b) other provisions	*3,572,805*	*3,391,803*	*4,090,940*
Insurance reserves	218,644	162,135	195,060

Revaluation reserves	(1,252,787)	(1,249,514)	(3,071,773)
Reserves	15,186,462	14,271,165	15,720,012
Share premium	39,322,433	36,581,540	39,322,433
Issued capital	9,648,791	8,389,870	9,649,245
Treasury shares (-)	(4,197)	(5,714)	(7,190)
Minorities (+/-)	3,479,180	3,202,240	3,271,412
Net Profit or Loss (+/-)	1,323,343	1,702,325	(9,320,401)
Total liabilities and shareholders' equity	**929,487,555**	**928,759,671**	**950,296,482**

UniCredit consolidated income statement

(*in thousands of euro*)	Year ended 31 December		Nine months ended 30 September	
	2010	**2009**	**2011**	**2010**
	(*Audited*)		(*Unaudited*)	
Interest income and similar revenues	28,641,891	34,745,987	22,076,006	21,430,543
Interest expense and similar charges	(12,885,464)	(17,587,735)	(10,340,318)	(9,678,530)
Net interest margin	**15,756,427**	**17,158,252**	**11,735,688**	**11,752,013**
Fee and commission income	10,209,704	9,423,742	7,622,188	7,608,627
Fee and commission expense	(1,754,234)	(1,767,925)	(1,354,484)	(1,308,656)
Net fees and commissions	**8,455,470**	**7,655,817**	**6,267,704**	**6,299,971**
Dividend income and similar revenue	718,314	573,644	699,222	634,579
Gains and losses on financial assets and liabilities held for trading	343,169	1,282,864	3,823	248,164
Fair value adjustments in hedge accounting	52,139	23,761	102,366	77,335
Gains and losses on disposal of	**311,636**	**411,490**	**254,813**	**293,108**
(a) loans	*7,340*	*81,483*	*(2,189)*	*30,474*
(b) available-for-sale financial assets	*120,238*	*194,845*	*244,694*	*80,960*
(c) held-to-maturity investments	*(590)*	*6,325*	*(3,628)*	*(122)*
(d) financial liabilities	*184,648*	*128,837*	*15,936*	*181,796*
Gains and losses on financial assets/liabilities at fair value through profit or loss	(28,733)	(31,391)	79,232	(2,438)
Operating income	**25,608,422**	**27,074,437**	**19,142,857**	**19,302,732**

(*in thousands of euro*)	Year ended 31 December		Nine months ended 30 September	
	2010	**2009**	**2011**	**2010**
	(*Audited*)		(*Unaudited*)	
Impairment losses on:	(7,006,651)	(8,933,716)	(4,914,879)	(5,154,966)
(a) loans	*(6,708,268)*	*(8,152,152)*	*(4,431,726)*	*(5,015,877)*
(b) available-for-sale financial assets	*(141,779)*	*(629,592)*	*(272,961)*	*(31,579)*
(c) held-to-maturity investments	*(2)*	*(6,497)*	*(118.835)*	*(103)*
(d) other financial assets	*(156,602)*	*(145,475)*	*(91,357)*	*(107,407)*
Net profit from financial activities	**18,601,771**	**18,140,721**	**14,227,978**	**14,147,766**
Premiums earned (net)	118,176	87,352	94,203	83,535
Other income (net) from insurance activities	(94,904)	(80,025)	(74,612)	(71,143)
Net profit from financial and insurance activities	**18,625,043**	**18,148,048**	**14,247,569**	**14,160,158**
Administrative costs:	(14,971,556)	(14,760,930)	(11,364,879)	(11,108,632)
(a) staff expense	*(9,477,728)*	*(9,344,481)*	*(7,199,970)*	*(7,036,099)*
(b) other administrative expense	*(5,493,828)*	*(5,416,449)*	*(4,164,909)*	*(4,072,533)*
Net provisions for risks and charges	(764,887)	(606,817)	(670,584)	(293,251)
Impairment/write-backs on property, plant and equipment	(996,668)	(866,912)	(618,628)	(678,773)
Impairment/write-backs on intangible assets	(674,998)	(651,104)	(1,429,020)	(504,779)
Other net operating income	952,019	841,143	598,590	645,600
Operating costs	**(16,456,090)**	**(16,044,620)**	**(13,484,521)**	**(11,939,835)**
Profit (loss) of associates	209,083	84,005	(325,042)	146,020
Gains and losses on tangible and intangible assets measured at fair value	152	(38,491)	(18)	(806)
Impairment of goodwill	(361,500)	-	(8,669,490)	(162,297)
Gains and losses on disposal of investments	158,001	773,985	96,076	94,096
Total profit or loss before tax from continuing operations	**2,174,689**	**2,922,927**	**(8,135,426)**	**2,297,336**
Tax expense (income) related to profit or loss from continuing operations	(530,120)	(888,307)	(898,216)	(1,054,040)
Total profit or loss after tax from continuing operations	**1,644,569**	**2,034,620**	**(9,033,642)**	**1,243,296**

(*in thousands of euro*)	Year ended 31 December		Nine months ended 30 September	
	2010	**2009**	**2011**	**2010**
	(*Audited*)		(*Unaudited*)	
Total profit or loss after tax from discontinued operations	-	-	-	-
Net Profit or Loss for the year	**1,644,569**	**2,034,620**	**(9,033,642)**	**1,243,296**
Minorities	(321,226)	(332,295)	(286,759)	(240,785)
HOLDINGS INCOME (LOSS) OF THE PERIOD	**1,323,343**	**1,702,325**	**(9,320,401)**	**1,002,511**
Earnings per share (€)	0.064	0.099	-0.515	0.049
Diluted earnings per share (€)	0.064	0.099	-0.515	0.049

Notes: Following the merger – which entailed the absorption of certain placement entities by the issuer – the result arising from the placement of securities issued by UniCredit S.p.A. recognised by the former in 2009 has been reclassified from "Fee and commission income" to "interest expense and similar charges".

DESCRIPTION OF THE PORTFOLIO – THE CREDIT AND COLLECTION POLICIES

Set out below is a summary of the criteria on the basis of which the assets which may be transferred to the OBG Guarantor will be selected and the main features of the credit and collection policies adopted by the Seller for the granting and servicing of the Mortgage Loans. Prospective OBG Holders may inspect a copy of the credit and collection policies upon request at the registered office of the OBG Guarantor, the Seller and at the Specified Offices of the Luxembourg Listing Agent. For a description of the obligations undertaken by UniCredit S.p.A. under the Servicing Agreement, see "Description of the Transaction Documents -Description of the Servicing Agreement" below. For a description of the representations and warranties given and the obligations undertaken by UniCredit S.p.A. under the Warranty and Indemnity Agreement, see "Description of the Transaction Documents -Description of the Warranty and Indemnity Agreement" below.

THE PORTFOLIO

In accordance with Law 130, pursuant to the OBG Guarantee, the OBG Holders will benefit from a guarantee issued by the OBG Guarantor over a portfolio of receivables transferred or to be transferred by the Seller and the Additional Sellers (if any), arising from some or all of the following assets:

(i) residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 80 per cent. of the value of the mortgaged property (the "**Residential Mortgage Receivables**");

(ii) non residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 60 per cent. of the value of the property (the "**Non-Residential Mortgage Receivables**" and, together with the Residential Mortgage Receivables, the "**Mortgage Receivables**");

(iii) securities satisfying the requirements set forth under Article 2, paragraph 1, letter c) of the MEF Decree (as defined below) (the "**Public Securities**"); and

(iv) securities issued in the framework of securitisation transactions where the relevant securitised portfolio is comprised for at least 95 per cent. of underlying assets having the same characteristics described in paragraphs (i) and (ii) above and having a risk weighting not higher than 20 per cent. under the prudential standardised approach (the "**ABS Securities**" and, together with the Mortgage Receivables and the Public Securities, the "**Assets**"), and, within certain limits, Integration Assets. The Assets and the Integration Assets are jointly referred to as the "**Portfolio**").

As at the date of this Base Prospectus, the Portfolio consists only of Residential Mortgage Loans transferred by the Seller to the OBG Guarantor in accordance with the terms of the Master Transfer Agreement, as more fully described under "*Description of the Transaction Documents – Master Transfer Agreement*", below.

The Portfolio has characteristics that demonstrate capacity to produce funds to service any payment due and payable on the OBG.

Each of the Mortgage Receivables comprised in the Portfolio shall comply with the following general criteria (the "**General Criteria** ") as at the relevant Evaluation Date (to be deemed cumulative unless otherwise provided) (or at such other date specified below):

(i) mortgage loans in respect of which the ratio between loan's outstanding principal on the Evaluation Date and the value of the real estate upon which the guarantee has been created, calculated on the Execution Date or on the date of the apportionment (*frazionamento*) in case of loans arising from the apportionment (*frazionamento*) of a prior quota loan, is:

(a) equal to or lower than 80 per cent. in case of Residential Mortgage Loans, or

(b) equal to or lower than 60 per cent. in case of Commercial Mortgage Loans;

(ii) loans in respect of which the principal debtors (including further to a novation (*accollo liberatorio*) and/or apportionment (*frazionamento*)) are:

(a) in case of Residential Mortgage Loans, one or more individuals, of which at least one having his residence in Italy; or

(b) in case of Commercial Mortgage Loans, one or more entities, of which at least one being resident in Italy;

(iii) loans secured by a mortgage on real estates located in Italy in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage is elapsed on the Evaluation Date o prior to it;

(iv) loans which are governed by Italian law; and

(v) loans denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro).

The Portfolio does not include Mortgage Receivables arising from:

(i) loans granted to, or secured by, a public administration entity (*ente pubblico*);

(ii) loans granted to an ecclesiastic entity (*ente ecclesiastico*); or

(iii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 ofthe Banking Act, as at the relevant Execution date;

The Mortgage Receivables to be comprised in the Portfolio shall comply also with the Specific Criteria in addition to the General Criteria.

"**Execution Date**" means the date on which the relevant loan agreement has been executed, without taking into account potential *accolli* or restructuring or *frazionamenti* that have been executed after such date.

"**Commercial Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to commercial or office use and located in an Eligible State.

"**Residential Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to residential use and located in an Eligible State.

"**Specific Criteria**" means the criteria for the selection of the Mortgage Receivables to be included in the portfolios to which such criteria are applied, as set forth in annex 2 to the Master Transfer Agreement for the Initial Portfolio and in the relevant transfer agreement for sale of each further portfolio of Mortgage Receivables.

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

THE CREDIT AND COLLECTION POLICIES

Foreword

Hereunder, in section 1, a general description of the credit policies adopted by the Seller is provided, including those used in the framework of the agreement with Tecnocasa (Kiron – Epicas).

Issuance procedures are described with more details in section 2 of this document.

Collection policies are provided in section 3.

SECTION 1 - MORTGAGE LOAN ISSUANCE PROCESS

Business sources

Mortgage loans granted by the Seller can be originated from the following channels:

a) Covenant Channel with involvement of a partner of the Seller, together with UniCredit has entered into an 'ad hoc' covenant, enabling identification of potential new borrowers. The covenant channel also includes the agreement with Tecnocasa (Kiron – Epicas), bank's main partner;

b) Semi-direct channel, i.e. through individual real estate agencies or loan brokers, who refer to Financial Salesmen of the Seller;

c) Direct Channel, i.e. through branches of the Seller, Financial salesmen of the Seller, CRC or the official website.

The scope of the portfolio subject of securitisation concerns exclusively originators at item a).

Loan application process

The first step in the process aimed at assessing loan application is the initial interview with the client, carried out by the Sales Network, where, on the one hand the loan broker provides precise details as to the steps to be taken and documents required for obtaining the loan, on the other hand, an initial general assessment is made of the prospective borrower's suitability (collection of information on the income level of the applicant and guarantors if any, intended use of the loan and location of the property to be mortgaged etc).

Drafting the application

If the information collected during the interview produces a positive assessment, the loan broker will accept the loan application, duly completed and subscribed by each subject participating in the loan as borrower or guarantor, also in order to obtain authorisation for the processing of personal data - with specific reference to forwarding of the same to external Credit Bureaux CRIF and EXPERIAN (such personal data will be forwarded to external Credit Bureaux CRIF and EXPERIAN by the Seller and not by the relevant loan broker)- as required by Law 196/03 (Privacy).

During the application preparation process, information assessed concerns:

- personal master data,
- social/demographic data,
- income details,
- records in public archives (protests, prejudicial recordings),
- contracts present on External Credit Bureaux (Experian, CRIF),
- evidence of delinquent accounts with *Centrale Rischi* (*Risk Sorting House*) (Banca d'Italia and SIA),
- other dealings with the Seller (evidence of Global Position).

Entering of said information into the system is carried out both manually and by querying other data-bases.

In particular, main inputs come from acquisition of:

- information taken from the application form filled in and submitted by the client/potential client,
- information on "global position with the Seller" arising from the sum total of debt positions (i.e. "aggregate global position"),
- information on "Group Global Position" arising from the sum total of the debt position provided by the other Group Companies,
- information provided by external Bureaux (Crif and Experian).

Rating calculations

The credit scoring system provides an assessment of the risk profiles of loan applications, based on evaluation of social/demographic information, together with information on the applicant's/guarantor's past behaviour obtained from the Credit Bureaux.

The system is made up of two elements:

1. S.E.M. (Strategic Execution Module), a credit scoring algorithm which, based on social/demographic parameters, provides a final score originating from three different algorithms, depending on whether the application concerns a subject at risk of default or if the subject has an Italian citizenship. This score may be above or below a threshold value (cut off point).
2. Policy rules, a set of credit policy rules non-compliance with which is checked automatically. Credit worthiness assessment rules supplement and complete credit scoring as part of the loan application assessment process. They may be broken down into two categories:
    - o Structural objections, checked together with scoring; they highlight situations requiring manual assessment.
    - o Credit rules, checked together with scoring; they highlight situations which as a rule, lead to rejection of the application in the absence of further details, enabling, through manual assessment, reappraisal of the situation.

Outcome of the procedure

The outcome of credit scoring and application of credit rules taken together automatically produce a specific result for each application file.

The system can yield the following responses:

- **Submissible White**: the application is submissible since it involves no hazardous credit elements; it is deemed to imply low default risk and will be decided upon by the appointed body and officials based on autonomous decision-making powers defined by the bank.
- **Submissible with structural objections** (aka at the discretion of the Loan Department), the application involves situations concerning the applicants and/or transaction whose assessment rests with the General Credit Department.
- **Non Submissible Black**: the application involves risk aspects that advise against acceptance of the transaction, in the absence of further appraisal elements enabling, through manual assessment, reappraisal of the situation.

Note: The application whose outcome is “black” due to non-compliance with the above mentioned rules, may continue to be processed through the assessment system by submission to experienced staff with decision-making powers in these matters.

Technical assessment of the mortgaged property

The mortgaged property is for residential use and located in the territory of Italy.

Cadastral categories for property types for which loans are admissible are as follows:

- A/1: High class residential property;
- A/2: Standard residential property;
- A/3: Economy class residential property;
- A/4: Low class residential property;
- A/5: Very low class residential property;

• A/6: Rural residential property;

• A/7: Small residential independent units;

• A/8: Residential detached units.

Cadastral categories which together with the residential unit can be financed as appurtenances, apart from land plots and associated urban areas are as follows:

• C/2: for basements and attics;

• C/6: for garages and car parking slots;

• C/7: enclosed or non-enclosed porches;

Assessment of the market value of the mortgaged property inclusive of all its appurtenances if any, can be performed through:

- Appraisal by an expert registered in the roll of surveyors or engineers and who, at the time of the appraisal was not an employee of the Seller and at no time has had any direct or indirect interest in the Property and/or the loans under scrutiny and whose fee is not dependent on or influenced by approval of the loan application in question. Said appraisal is deemed valid for the purpose of loan issuance for six months from submission.
- Estimate by the party holding a covenant or by a third party appointed by it, with reference to loans entered into under national covenants of the Seller, where the amount to be issued is not in excess of €100,000.

Note

In particular circumstances it is possible to take as guarantee a property other than the one subject of the specific loan transaction, or in addition to it, when current conditions and/or the value of the property to be mortgaged are not such as to provide adequate capital guarantee for loan issuance.

Decision, Stipulation And Loan Issuance

Each file processed is submitted to the judgement (granted\rejected) of a decision-making body, whose selection is based on the decision-making policy in force at the bank.

Once issuance of the loan has been approved, the bank will prepare documents to stipulate the agreement, which may be of two types:

- Unilateral deed (in most cases) in public form by way of acceptance. The contract is finalised by means of notary deed confirming the prior contract proposal, executed at the notary's office without the bank proxy being present. The notary hands over to the borrower the cashier's cheques or the accounting report indicating that the sum has been released - it will subsequently be issued by bank transfer once execution of the deed has been confirmed.
- Bilateral deed: The contract is entered into in the presence of a bank proxy, who hands over to the borrower the cashier's cheques or the accounting report showing the sum has been released - it will subsequently be issued by bank transfer once the execution of the deed has been confirmed.

The property subject of the loan is under:

- Substantial first degree mortgage, with the bank as beneficiary
- Insurance policy against the risk of fire, lightning and explosion, and including an encumbrance (*vincolo*) in favour of the bank.

Issuance can take place concurrently or non-concurrently with deed conclusion.

If the loan is not issued concurrently with deed conclusion, the bank will release the loan amount to the client only after the mortgage has been consolidated according to the Italian law.

***Fondiario* loans**: a loan can be qualified as *fondiario* under Article 38 of the Banking Act and the relevant implementing regulations, if the amount disbursed under the loan does not exceed 80 per cent. - or 100 per cent. whenever there are additional eligible guarantees - – of the value of the property to be mortgaged or of the cost of the work to be made on the same.

The ratio relating the amount of the loan disbursed by the Seller is detemined, under its internal procedures, as the ratio between the amount of the loan to be disbursed and the lower of (i) the purchase price of the property and (ii) the appraised value of such property.

SECTION 2 - ISSUANCE PROCESS FOR LOANS

INTRODUCTION

The issuance of the mortgage applications is carried out by an electronic platform developed by web called European Mortgage Platform (EMP).

The platform is based on a workflow system, whick permits the passage of the application in the different steps of the processing, with different roles in the weaving factory, assuring the safeguard of every channel/ally specifity.

Chapter 1

1. MORTGAGE ISSUANCE PROCESS

The first step in the process is the initial interview, or initial perusal of the documents forwarded by real estate agents with which a covenant is in place, with the aim of collecting and screening all information needed to grant the application, in particular to establish whether:

- the applicant's income is adequate to cover payment of loan instalments;
- there is no counter-indications as to intended use of the loan money and the location of the mortgaged property;
- property value is adequate to allow issuance of the loan amount requested.
- the birth certificate of the applicant and of any joint-owners of the property;
- certificate of civil status or extract of marriage deed;

Once all documents is collected, the file is checked by the credit analyst, who verifies:

- identity of the applicant and of any guarantors;

- the correctness of the documentation;
- the quality of data with a verify of the balance between documentation and system files;
- absence of protested bills, checking, where it is not possible to obtain information from an information agency, the bulletins issued by the Chamber of Commerce.

Checking said information is a necessary step before any further assessment on the credit worthiness of the applicant and any guarantors.

2. EVALUATION OF THE PROPERTY

After completing the collection and screening of the information on the subjects involved in the loan application, it is necessary to complete the investigation on the file as regards information on the property.

This stage also included collection of the loan application together with documents needed for subsequent assessments, *inter alia*:

- the ground plan of the property;
- certified true copy of the last purchase deed of the property;
- historical cadastral certificate for the past twenty years, plus an authentic extract of the cadastral map, both issued recently;
- copy of the certificate of suitability for habitation, issued by the competent city office.

The bank uses three kind of assessments of the property:

- Appraisal: an assessment carried out by a surveyor belonging to a list of professionals;

- Pledged appraisal: an assessment carried out by a surveyor not belonging to a list of professionals, but belonging to determined professionals (i.e. architects or engineers).

- Estimate: an assessment carried out by a different subject foreseen for the surveys and that bank accepts only in limited cases.

3. APPROVAL OF THE APPLICATION FOR A LOAN

After collection of required documentation, including the appraisal and the first draft of the contract prepared by the notary public, the duly authorised officer in possession of the necessary powers re-examines all the documentation produced and if he detects no grounds for reservations, in particular with regards to full title to the property as well as the same being free and clear from prejudicial registrations and transcriptions he proceeds with the acceptance of the credit/loan application.

4. DISBURSEMENT OF THE LOAN

Issuance of the loan, which is as a rule disbursed as a single payment, is subordinate to:

- registration of the mortgage on the pledged property and taking out of an insurance policy:
  - with term equal to the length of the mortgage,
  - for a value equal to the estimate from the property appraisal.

In particular, the mortgaged property has to be covered by an insurance policy including the risk of fire, lightning and explosion and include an encumbrance (vincolo) in favour of the Bank.

Chapter 2

1. APPLICATION DRAFTING PHASE

In the application drafting phase, the data needed for feeding the calculation algorithm are collected.

Information to be analysed is of the following types:

- personal details/master data;
- socio/demographic;
- income;
- records in public archives (protests, prejudicial registrations);
- contracts present on External Credit Bureaux;
  - evidence of delinquent accounts with *Centrale Rischi* (BKI, SIA);
- other relations with UCB.

Information is fed into the system :

- manually, as regards information on applicant and guarantor taken from the data contained in the completed application form submitted by the client/prospective client together with personal documents (ID, taxpayer's code, etc.) and income documents (Mod. Unico (*income tax return*), pay sheet, etc.) making possible an initial check on the correctness of inputted information.
- by querying data-bases:
  - internal: (general master data, request for Chamber of Commerce certificate);
  - external: (Credit Bureaux) subject to authorisation from the subjects named in the application form, respectively as applicant(s) and guarantor(s), as required by privacy legislation. The Credit Bureaux provide for each name being vetted, a summary report of pending contracts and payment status as to pending contracts as well as a summary historical report on payments of paid off contracts.

2. INFORMATION ON THE TRANSACTION

To obtain final production of the rating assessment, it is first necessary to also input into the system the parameters of the transaction for which the loan is sought, in particular, the transaction must be recorded in the internal UniClient system in order to identify the financial repayment plan against the catalogue of products offered.

For mortgage loans, it is also necessary to complete, in the designated screens in the system, the fields pertaining to the following informations:

- type of building;
- building's surface area in square meters;
- province where the building is located;
- Postcode;
- commercial value of the property;
- whether commercial value was established by a reliable expert, estimated by the Director of a Market Agency, Branch etc., or appraised by the partner;
- source of the property (sale and purchase, gift, inheritance/succession, *usucapione*, …);
- presence of any encumbrances on the property (asset fund, habitation right,…).

3. RATING CALCULATION

Once this stage of the examination has been reached, the system has obtained all the information it needs to establish a rating score and to identify who within the Seller body can approve the loan application.

The rating score may be:

- "white rating": i.e. the score is higher than the minimum acceptance threshold;
- "black rating": i.e. the score is lower than or equal to the minimum acceptance threshold.

Concurrently with calculation of the rating score, if the rating is "white", the so-called "policy rules" apply; they are divided into:

- "black rules": these point out the risk/income aspects, which advise against acceptance of the application, unless they are accompanied by appropriate reasons and are subject to the opinion of the Credit Department (*Direzione Crediti*);
- "insufficient income": a sub-rule of the "black rule" identifying applications that can only be accepted if review of terms of the loan (duration and amount) or addition of a further guarantor enable the applicant(s) to meet the minimum income conditions required.
- "power of Credit Department rules": these show situations relating to those borrowers and/or transactions, the evaluation of which is the responsibility of the Credit Department (*Direzione Crediti*).

4. OUTCOME OF THE PROCEDURE

The outcome of the procedure may be as follows:

- Admissible Outcome: when the application for a loan has obtained a white rating, and no decision-making rules are required. If the credit scoring assesses the application as admissible, concurrent identification takes place of the department empowered to authorise granting of the loan;

- Negative Outcome: this may stem from black rating or white rating plus one or more black policy rules. Decision-making power rests with the Credit Department (*Direzione Crediti*);
- Credit Department Faculty Outcome: this takes place every time even if a "white" credit rating has been issued, a Credit Department Faculty takes place. Decision-making power rests with the Credit Department (*Direzione Crediti*).

5. PREPARATION OF FINAL DOCUMENTATION AND STIPULATION OF THE MORTGAGE LOAN AGREEMENT

Together with the detailed technical and identification documentation, appraisal of the property to be mortgaged, and credit worthiness assessment, a notary public is asked to draw up a preliminary report, which should be delivered before the date set for executing the mortgage contract, allowing sufficient time for checking possible doubtful elements which may be included in the report as regards full title to the property by the mortgagor, the existence of liens or charges on the property subject of the mortgage and the inexistence of bankruptcy proceedings against the applicants and the guarantors.

Once property identification and technical details have been obtained, the bank secures, if it has not already done so in the previous phase, the mortgaged property appraisal.

The mortgage loan agreement is then signed with a single bilateral or unilateral deed.

At the time of execution of the loan agreement, an insurance policy covering the property against damage from fire, lightning and explosion must be requested as a mandatory condition; the insurance policy must contain an encumbrance (*vincolo*) in favour of the bank and must be entered into with an insurance company of the group or a leading insurance company.

Any mortgage on the relevant property must be assessed for an amount exceeding the amount of the loan, since also interest accruing, default interest, if any, and all expenses connected with the start of legal proceedings aimed at the recovery of the claim covered by the mortgage must be guaranteed.

SECTION 3 - COLLECTION POLICIES

The terms with initial capital below, unless otherwise defined, will have the same meaning as that given them in the Servicing Agreement.

Methodology of instalments payment

The payment of the instalments is carried out by direct debit on account, by R.I.D. or by bank transfer.

Direct debit account

It's a payment method based on the direct debit ot the instalments on an account opened in a branch belonging to the Retail Division of UniCredit Banking Group.

R.I.D. (Rimessa Interbancaria Diretta)

The payment method is based on the transmission by an interbank procedure, of the proceeds of the instalment from the debtor bank to the creditor bank.

Bank transfer

The payment is based on the execution of a transfer by the customer to the Seller account.

Management of credits in the case of arrears

The credits on the basis of the regularity of the payments are classified in:

Performing Loans: no arrears;

Monitored Loans: loans with a number of arrears between 1 and 6;

Default Loans: (past due loans, *Incagli*, *Sofferenze*).

Collection

The procedures of collection are carried out according to the length of default.

For the monitored loans the collection is developed by an IT System managed in "Customer Recovery" an Unicredit Holding Department specialised in collection activities for the whole Retail Division. The collection is splitted in two on the basis of the arrears: from 1 to 3 is carried out a Direct Payment Reminder; from 4 arrears is carried out a Home Collection.

A – Direct Payment Reminder

This phase of the collection process consist in a friendly collection activity and has the scope to identify the reasons of the delay in the payment of the instalments and to return to a regular situation (payment of overdue instalments). Direct reminders, in the event of negative outcome, are as a rule stopped within 105 days from maturity of the unpaid instalment.

B – Home Collection

After the terms established for direct reminder have expired, if non-performance persists, outstanding payments are forwarded on behalf of the Servicer for collection to any other specialised credit recovery agency.

Within the usual management process of the external agencies, the activities consist in the creation of homogeneous positions of consecutive first recovery step and second recovery step (each step having a duration of 45 days plus 30 days extension in case of a positive outcome).

During the reference period for the management of the home collection it was developed, within predetermined perimeters of positions not delegated to external agencies, a concurrent process aimed at maximising the recovery possibilities of the client by introducing an asset management approach.

This implies a “one to one” management of the client, the launch of specific campaigns with advanced collection products (Salto rata, Arca 12 months extendible for additional 12 months).

The process of management, allocation to each phase and the maintenance of the loan in each phase does not depend from the number of instalments in arrears but from the number of days of arrears.

Management of Defaulted Receivables

If the terms established have expired without attempts at recovery without judicial recourse (either direct and/or home collection) having borne fruit, or even before then, if conditions/events occur that, in the Servicer’s opinion show a worsening of the debtor’s credit worthiness, the positions will be classified by the Servicer as being *Crediti ad Incaglio* or *Crediti in Sofferenza*. In the event of classification of a claim as being *Credito ad Incaglio*, the Servicer shall ask for the payment of the overdue instalments increased by default interest in relation to the original repayment schedule. If the claim is classified as being a *Credito in Sofferenza*, the Servicer shall terminate the loan agreement asking for the full payment of all amounts outstanding.

The doubtful classification is done according to a global evaluation about the total exposure of the customer. If the customer is eligible to doubtful classification due to arrears on consumer loans, but he is regular for a mortgage, the evaluation will be applied considering the customer global exposure and collection activities in place.

A claim shall be classified by the Servicer as *Credito ad Incaglio* when the position of the assigned debtor is assessed as temporary in nature and it is expected that the situation may be corrected within a reasonable period of time.

For the purpose of securitisation and associated reporting, credit classified as defaulting will not be recorded as a performing loan (*in bonis*), even after the borrower has corrected his position.

The Servicer, besides performing correct classification, will assess credit and manage credit protection and recovery in collaboration with the sub-servicer.

In particular, the sub-servicer shall implement any and all out of court and/or judicial initiatives that appear feasible and/or appropriate for the management of the relevant claims in compliance with the procedures described below. The sub-servicer shall analyse in detail the documents relating to the claim received by the Servicer and shall transfer to its claim monitoring system all data relating to the file.

The file will be assigned by the management system to an internal manager on the basis of several criteria, such as, by way of example, the geographic location of the assigned debtor, its sector of activity, type of exposure and amount of the same. The selected Sub-Servicer manager shall attempt to contact the client by phone or letter or other suitable means, including personal contact. In certain cases, an external adviser/third company selected according to certain pre-established criteria may be retained to assist the in-house manager. Any such adviser/third company shall work under close supervision of

the internal manager and its appointment shall normally be established in 60 days, which may be extended; upon expiry of the appointment, the external provider shall be replaced by another external adviser/third company.

The Sub-Servicer manager, also via external advisers/third company, shall attempt to settle the relevant file through an out-of-court settlement, based on negotiation of repayment (*rientro*) with the Assigned Debtor.

Proposed settlement of the debt position formulated by the Sub-Servicer manager will be in line with the powers provided for in the Servicing Agreement.

The proposal thus put forward will be submitted for approval to the Sub-Servicer's competent body, based on the delegation system established by the same Sub-Servicer, and the final outcome will be communicated to the Assigned Debtor.

If the proposal is accepted by the competent body, data on the newly agreed repayment plan will be uploaded on the management system, which will automatically flag the manager in the event of irregularity. If the Assigned Debtor fails to effect payments due under the negotiated solution, as reported by the management system the resolution will be annulled.

If the competent body does not accept the proposal and the restructured loan proposal is rejected by the relevant department of the Sub-Servicer and no alternative negotiated solutions are reached, legal action shall be initiated if deemed appropriate or suitable, by means of service of a payment order (*precetto*) to the assigned debtor followed by seizure of the mortgaged property, and by subsequent enforcement process with sale of the mortgaged property in accordance with the legal procedures. For its legal activity, the Sub-Servicer shall use external legal advisers of its choice with proven experience in debt collection judicial proceedings, using the same management system enabling ongoing monitoring of judicial activities.

However, also during legal proceedings, the Sub-Servicer will explore and utilise all options available, including out-of-court settlements, to maximise collections and minimise costs associated with loan recovery.

Once all the activities and attempts to renegotiate the loan with the client have proven unsuccessful and in the Sub-Servicer's opinion no further actions are viable for collection of the overdue amount, the Sub-Servicer may proceed with the sale of the *Credito in Sofferenza*, in compliance with precise conditions established under the Servicing Agreement. After the judicial or out-of-court proceedings have been completed, sums recovered will be collected, or, if no recovery was achieved the mandate will be closed.

In any event, the Sub-Servicer shall notify the Servicer of the successful full or partial collection of the receivable or of the impossibility or inconvenience of conducting any additional judicial or out-of-court activities.

Possible full or partial write-off shall be decided upon by the competent department of the Servicer

Early Repayment

Similarly to the provisions in place for the Servicer's clients, under the terms of the mortgage loan agreement, a borrower can fully or partially pre-pay its mortgage loan at any time.

Full Early Repayment

If the borrower wishes to pre-pay his/her mortgage loan in full, he/she shall pay the amount of the residual debt on the principal account, after settling any instalments fallen due and unpaid, as well as any interest accrued from the due date of the last instalment up to the date of final settlement. In addition to these sums, a penalty for early repayment, if applicable according to the law, will also be charged, calculated as a percentage of outstanding debt at the time of repayment.

Partial Early Repayment

The case of partial early repayment, also called partial reduction, provides for payment of a sum by the borrower as advanced repayment of part of the principal. The partial reduction of the residual debt shall entail recalculation of the repayment schedule, which in turn shall entail, leaving due dates unchanged, a reduction in the instalments to be collected.

Under both full and partial pre-payment, the fee schedule usually, if applicable according to the law, makes provision for the payment of a fixed percentage applied to the amount of residual debt.

One mandatory condition for the borrower to avail him/herself of early full or partial repayment is the inexistence of any outstanding unpaid instalments; moreover, in the event of loans with index-linked rate (if any), any adjustments possibly due by the debtor must have already been paid.

DESCRIPTION OF THE OBG GUARANTOR

The OBG Guarantor has been established as a special purpose vehicle for the purpose of guaranteeing the OBG.

The OBG Guarantor is a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of Italy under Article 3 of the Law 130 on 17 November 2011, belonging to the "*Gruppo Bancario UniCredit*" registered with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Banking Act under No. 02008.1 (the "**UniCredit Banking Group**" or "**UniCredit**").

By way of a shareholders' resolution adopted on 7 December 2011, the bylaws of the company has been amended in order to allow the company to act as special purpose vehicle within covered bonds transactions in accordance with the Article 7-*bis* of the Law 130.

By way of a shareholders' resolution registered on 11 January 2012, the corporate name of the OBG Guarantor was changed from "Cordusio One RMBS s.r.l." to "UniCredit OBG s.r.l.".

The OBG Guarantor is registered under number 04064320239 with the Register of Enterprises of Verona pursuant to Article 7-*bis* of the Law 130 and registered under No. 2011 in the register held by the Bank of Italy pursuant to Article 106 of the Banking Law.

The OBG Guarantor has its registered office at Piazzetta Monte 1, 37121, Verona, Italy; the telephone number of the registered office is +39 045 8678870 and the fax number is +39 045 8678875. The OBG Guarantor has no employees.

The authorised, issued and fully paid in quota capital of the OBG Guarantor is €10,000.

The duration of OBG Guarantor shall be until 31 December 2100.

Business Overview

The exclusive purpose of the OBG Guarantor is to purchase from banks, against payment, receivables and notes issued in the context of a securitisation transaction, in compliance with Article 7-*bis* of Law 130 and the relevant implementing provisions, by means of loans granted or guaranteed also by the selling banks, as well as to issue guarantees for the OBG issued by such banks or other entities.

The OBG Guarantor has granted the guarantee to the benefit of the Representative of the OBG Holders (acting on behalf and in the name of the OBG Holders), of the counterparts of derivatives contracts entered into with the purpose to cover the risks inherent the purchased credits and securities and of the counterparts of other ancillary contracts, as well as to the benefit of the payment of the other costs of the transaction, with priority in respect of the reimbursement of the others loans, pursuant to paragraph 1 of Article 7-*bis* of Law 130.

Since the date of its incorporation, the OBG Guarantor has not engaged in any business other than the purchase of the Initial Portfolio, the entering into of the Transaction Documents and of the relevant transaction documents for the issuance of OBG under the Programme.

Save for the foregoing, the OBG Guarantor has not entered since 17 November 2011 (this being the date of its incorporation) into any contracts outside the ordinary course of business that have been or may be reasonably expected to be material to its ability to meet its obligations to OBG Holders.So long as any of the OBG remain outstanding, the OBG Guarantor shall not, without the consent of the Representative of the OBG Holders and as provided in the Conditions and the other Transaction Documents, incur any other indebtedness for borrowed moneys or engage in any business except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions or the Transaction Documents) or guarantee any additional quota.

The OBG Guarantor will covenant to observe, *inter alia*, those restrictions which are detailed in the Intercreditor Agreement.

Accounts of the OBG Guarantor

Since the date of incorporation, the OBG Guarantor has not commenced operations and no financial statements have been made up as at the date of this Prospectus. The fiscal year of the OBG Guarantor begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 17 November 2011 and ended on 31 December 2011.

Administrative, Management and Supervisory Bodies

The OBG is currently managed by a Board of Directors comprised by 3 directors.

The directors of the OBG are as follows:

Name	***Appointment***	***Address***	***Principal Activities***
Andrea Perin	Chairman	Piazzetta Monte, 1 - Verona	Manager
Luigi Bussi	Director	Piazzetta Monte, 1 - Verona	Manager
Claudia Calcagni	Director	Piazzetta Monte, 1 - Verona	Manager

The Company did not appoint a Board of Statutory Auditors, pursuant to Article 2447 of the Italian Civil Code.

Conflict of Interest

There are no potential conflicts of interest between the duties of the directors and their private interests or other duties.

Major Shareholders

The quotaholders of the OBG Guarantor (hereafter together the "**Quotaholders**") are as follows:

UniCredit S.p.A.	€6,000.00 of the quota capital;
SVM Securitisation Vehicles Management S.r.l.	€4,000.00 of the quota capital.

The Quotaholders' Agreement contains *inter alia* a call option in favour of the Seller to purchase from SVM and a put option in favour of SVM to sell to the Seller, the quota of the OBG Guarantor held by SVM and provisions in relation to the management of the OBG Guarantor. Each option may only be exercised from the day on which all the OBG have been redeemed in full or cancelled.

In addition the Quotaholders' Agreement provides that no Quotaholder of the OBG Guarantor will approve the payments of any dividends or any repayment or return of capital by the OBG Guarantor prior to the date on which all amounts of principal and interest on the OBG and any amount due to the Secured Creditors (including the OBG Holders) have been paid in full.

Italian company law combined with the holding structure of the OBG Guarantor, the covenants made by the OBG Guarantor, the Issuer and SVM Securitisation Vehicles Management S.r.l. in the Quotaholders' Agreement and the role of the Representative of the OBG Holders are together intended to prevent any abuse of control of the OBG Guarantor. The OGB Guarantor is subject to the direct ownership and control of UniCredit S.p.A.

Special purpose vehicle

The OBG Guarantor has been established as a special purpose vehicle for the purposes of issuing guarantees in respect of OBG. The OBG Guarantor may carry out other OBG transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

31 December 2011

(*Euro)*

Assets	
Cash and due from banks	11,971
Intangible Fixed Assets	0
Other assets	537

Total	**12,508**
Liabilities and capital	
Other liabilities	4,605
Capital	10,000
Reserves	2,000
Profit (Losses) of the period	(4,097)
Losses of Previous year	0
Total	**12,508**

Capitalisation and Indebtedness Statement

The capitalisation of the OBG Guarantor as at the date of this Prospectus is as follows:

Quota capital Issued and authorised

UniCredit S.p.A. has a quota of €6,000.00 and SVM has a quota of €4,000.00, each fully paid up.

Total capitalisation and indebtedness

Save for the foregoing and for the OBG Guarantee and the Subordinated Loan in accordance with the Subordinated Loan Agreement, at the date of this document, the OBG 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.

Financial Statements and Report of the Auditors

Copy of the financial statements of the OBG Guarantor for each financial year since the OBG 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 OBG Guarantor.

The non statutory interim financial statements of the OBG Guarantor from 17 November 2011 to 31 December 2011 have been audited by Dott. Lino De Luca (*public certified accountant*), the address of which is at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, in its capacity as independent auditor of the OBG Guarantor, as indicated in its reports thereon. The appointment of Dott. Lino De Luca as independent auditor of the OBG Guarantor was limited exclusively to the audit of the non statutory interim financial statements from 17 November 2011 to 31 December 2011. Dott. Lino De Luca is registered in the register of accountancy auditors (*Registro dei Revisori Contabili*).

KPMG S.p.A., the address of which is at via Vittor Pisani, 25, I-20124 Milan, Italy, will be the independent auditors of the OBG Guarantor, they belong to ASSIREVI – Associazione Italiana Revisori Contabili and are registered in the special register (*albo*

speciale) for auditing companies (*società di revisione*) provided for by Article 161 of the Financial Services Act.

The OBG Guarantor's accounting reference date is 31 December in each year. The current financial period of the OBG Guarantor will end on 31 December 2012.

Documents on Display

For the life of the Prospectus the following documents may be inspected at the offices of the Administrative Services Provider, the Representative of the OBG Holders and the Luxembourg Listing Agent in Luxembourg:

(a) the memorandum and articles of association of the OBG Guarantor;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the OBG Guarantor's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the OBG Guarantor or, in the case of a group, the historical financial information of the OBG Guarantor and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

DESCRIPTION OF THE ASSET MONITOR

The BoI OBG 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 OBG Guarantee.

Pursuant to the BoI OBG Regulations, the asset monitor must be an independent auditor, enrolled with the special register of accounting firms held by the CONSOB pursuant to Article 161 of the Financial Services Act and shall be independent from the Issuer and any other party to the Programme and from the accounting firm who carries out the audit of the Issuer and the OBG Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual reports, to be addressed also to the Board of Statutory Auditors *(collegio sindacale)* of the Issuer.

Mazars S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Corso di Porta Vigentina, 35, 20122, Milan, Italy, fiscal code and enrolment with the companies register of Milan No. 01507630489, and enrolled under No. 97909 with the special register of accounting firms held by the *Commissione Nazionale per le Società e la Borsa* pursuant to Article 161 of the Financial Services Act.

Pursuant to an engagement letter entered into on 19 January 2012, the Issuer has appointed the Asset Monitor in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities concerning, *inter alia,* (i) compliance with the issuing criteria set out in the MEF Decree with respect to the issuance of OBG; ii) compliance with the eligibility criteria set out in the MEF Decree with respect to Assets and Integration Assets included in the Portfolios; (iii) compliance with the limits on the transfer of Assets set out in the MEF Decree; (iv) compliance with the limits set out in the MEF Decree with respect to OBG issued and assets included in the Portfolios as determined by Mandatory Tests; and (v) the effectiveness and adequacy of the risk protection provided by any swap agreement entered into in the context of the Programme.

The engagement letter reflects the provisions of the BoI OBG Regulations in relation to the procedures and proportionality principles applicable to the conduct of the monitoring activities by the Asset Monitor, the reports to be prepared and submitted by the Asset Monitor also to the Board of Statutory Auditors *(collegio sindacale)* of the Issuer.

The engagement letter provides for certain matters such as the payment of fees and expenses by the Issuer to the Asset Monitor and the resignation of the Asset Monitor.

The engagement letter is governed by Italian law.

Furthermore, on 19 January 2012, the Issuer, the Calculation Agent, the Asset Monitor, the OBG Guarantor and the Representative of the OBG Holders entered into the Asset

Monitor Agreement, as more fully described under "*Description of the Transaction Documents — Asset Monitor Agreement*", below.

CREDIT STRUCTURE

The OBG will be direct, unsecured, unconditional obligations of the Issuer. The OBG Guarantor has no obligation to pay the Guaranteed Amounts under the OBG Guarantee until the occurrence of an Issuer Event of Default and the service by the Representative of the OBG Holders on the Issuer and on the OBG Guarantor of a Notice to Pay. The Issuer will not be relying on the Guarantor and on any payments received from the Guarantor in order to pay interest or repay principal under the OBG.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to OBG Holders, as follows:

(i) the OBG Guarantee provides credit support to the Issuer;

(ii) the Mandatory Tests are intended to ensure that the Eligible Portfolio is at all times sufficient to repay the OBG;

(iii) the Over-Collateralisation Test is intended to test the asset coverage of the OBG Guarantor's assets in respect of the OBG for so long the OBG remain outstanding;

(iv) the Amortisation Test is intended to test the asset coverage of the OBG Guarantor's assets in respect of the OBG following the occurrence of an Issuer Event of Default, and the service of a Notice to Pay on the Issuer and the OBG Guarantor; and

(v) the Reserve Account is established for the purposes of trapping excess cash flow from the Interest Available Funds to ensure that the Guarantor has sufficient funds set aside to fulfil its obligation to pay interest accruing with respect to the OBG.

Certain of these factors are considered more fully in the remainder of this section.

OBG Guarantee

The OBG Guarantee provided by the OBG Guarantor guarantees the payment of Guaranteed Amounts (as defined in the Conditions) on the relevant Scheduled Due for Payment Date (as defined in the Conditions) in respect of all OBG issued under the Programme. The OBG Guarantee will not guarantee any other amount becoming payable in respect of the OBG for any other reason, including any accelerated payment, following the occurrence of an Issuer Event of Default. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served), the OBG Guarantor's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment.

See further "*Description of the Transaction Documents — OBG Guarantee*", as regards the terms of the OBG Guarantee and see "*Accounts and Cashflows —Priority of Payments*", as regards the payment of amounts payable by the OBG Guarantor to OBG Holders and the other Secured Creditors following the occurrence of an Issuer Event of Default.

Under the terms of the Portfolio Administration Agreement, UniCredit (as Seller and Issuer), the Additional Seller (if any) must ensure that, on each Calculation Date prior to service of a Notice to Pay, the Eligible Portfolio is in compliance with the Mandatory Tests and the Over-Collateralisation Test, respectively. If on any Calculation Date (as the case may be) the Eligible Portfolio is not in compliance with the Mandatory Tests and the Over-Collateralisation Test, then UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall sell to the OBG Guarantor Assets or Integration Assets in an amount sufficient to allow the Mandatory Tests and the Over-Collateralisation Test to be satisfied, in accordance with, as appropriate, the Master Transfer Agreement and the Portfolio Administration Agreement (including the transfer agreement(s) to be entered into by the Additional Seller (if any), if applicable). To this extent the UniCredit (as Issuer and Seller), the Additional Seller (if any), as the case may be, shall provide, in accordance with the Subordinated Loan or, as the case may be, with any additional subordinated loan, the funds necessary the purposes of funding the purchase of Assets or Integration Assets.

If (i) the breach of Mandatory Tests is not remedied within three months from the service by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor (the "**Mandatory Test Cure Period**"), or (ii) the breach of the Over-Collateralisation Test is not remedied within three months from the service by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor (the "**OC Cure Period**"), an Issuer Event of Default shall occur.

Mandatory Tests

Pursuant to the MEF Decree, for so long as the OBG remain outstanding, the Issuer (also as Seller (or the Additional Seller (if any)) shall procure on a continuing basis and on each Calculation Date or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents that:

(a) the Outstanding Principal Balance of the Eligible Portfolio (net of any amount standing to the credit of the Accounts other than the Principal Collection Account) from time to time owned by the OBG Guarantor shall be higher than or equal to the Outstanding Principal Balance of the OBG at the same time outstanding;

(b) the Adjusted Net Present Value of the Eligible Portfolio shall be higher than or equal to the Present Value of the outstanding OBG;

(c) the Expected Income shall be higher than or equal to the Expected Payments;

(the tests above are jointly defined as the "**Mandatory Tests**").

The compliance with the Mandatory Tests will be verified by the Calculation Agent and subsequently checked by the Asset Monitor, and by the internal risk management functions of the UniCredit Banking Group (under the supervision of the management body of the Issuer) on each Calculation Date and on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents.

For the purposes of this section:

"**ABS Portfolio**" means a portfolio of receivables purchased from an ABS Securities Issuer in the context of the relevant ABS Transaction.

"**ABS Securities Issuer**" means each company incorporated under Law 130 which has issued ABS Securities.

"**ABS Transaction**" means each Italian law governed securitisation transaction carried out by an ABS Securities Issuer in the context of which ABS Securities have been issued.

"**Adjusted Net Present Value of the Eligible Portfolio**" means at any date the Present Value of the Eligible Portfolio *minus* the Present Value of the payments to be made in priority to or *pari passu* with the amounts to be paid in relation to the OBG in accordance with the relevant Priority of Payments.

"**Credito ad Incaglio**" means any Mortgage Receivable classified as "*incaglio*" by the Servicer on behalf of the OBG Guarantor in compliance with the Collection Policies following the relevant Evaluation Date.

"**Credito in Sofferenza**" means any Mortgage Receivable classified as "*in sofferenza*" by the Servicer on behalf of the OBG Guarantor in compliance with the Collection Policies, as interpreted and applied in compliance with BoI OBG Regulations and in accordance with principles governing the prudential administration of Mortgage Receivables and with the maximum *standard* of *diligenza professionale*.

"**Defaulted Receivables**" means Mortgage Receivables which, following the relevant Evaluation Date, have been classified by the Servicer on behalf of the OBG Guarantor as *Crediti ad Incaglio* or *Crediti in Sofferenza* or which have been Receivables in Arrears for at leat 360 days.

"**Defaulted Security**" means a Security in respect of which a notice of default has been served and/or a Security which has been accelerated in accordance with the relevant terms and condition.

"**Earliest Maturing OBG**" means at any time the relevant Series of the OBG that has the earliest Maturity Date as specified in the applicable Final Terms or the Extended Maturity Date (if an Extendible Maturity Date is provided by the applicable Final Terms).

"**Eligible Portfolio**" means the aggregate amount of Assets and Integration Assets (including any sum standing to the credit of the Accounts other than the Quota Capital Account and the Eligible Investments) provided that (i) any Defaulted Receivable or Defaulted Securities and those Assets or Integration Assets for which a breach of the representations and warranties granted under Clause 2 of the Warranty and Indemnity Agreement has occurred and has not been remedied will not be considered for the purpose of the calculation, (ii) any Mortgage Receivable in respect of which the Loan to Value Ratio exceed the percentage limit set forth under Article 2, para. 1, of the MEF Decree, will be calculated up to an amount of principal which - taking into account the Market Value of the Real Estate related to the sale of that Mortgage Receivable - allows

the compliance with such percentage limit, (iii) the aggregate of the Integration Assets in excess of the Limit to Integration, and (iv) in relation to any ABS Securities, if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5 per cent. of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Securities), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5 per cent., multiplied by, in respect of each relevant ABS Securities, the ratio between (i) the Outstanding Principal Balance of the relevant ABS Securities which have been transferred to the Guarantor, and (ii) the Outstanding Principal Balance of all ABS Securities of the same class will not be considered for the purpose of the calculation.

"**Expected Income**" means the sum of the interest collections expected to be collected under the Eligible Portfolio, as from time to time outstanding on the basis of the scheduled payments, any interest maturing on the OBG Guarantor's Accounts and other additional cash flows expected to be deposited in the Accounts (to the extent not already included in the above). For the avoidance of doubt such calculation is performed with respect to the Eligible Portfolio as of the immediately preceding Reconciliation Date.

"**Expected Payments**" means any amount to be paid in priority to, or *pari passu* with, any interest amount to be paid in respect of the OBG in accordance with the relevant Priority of Payments. For the avoidance of doubt, any amounts above will result to be estimated (if relevant) on the basis of the Portfolio or the Eligible Portfolio (as the case may be) being from time to time outstanding on the basis of the scheduled payments. For the avoidance of doubt such calculation is performed with respect to the Eligible Portfolio as of the immediately preceding Reconciliation Date.

"**Limit to the Integration** " means the limit of 15 per cent. of the aggregate Outstanding Principal Balance of the assets included in the Portfolio, set forth under Article 2, paragraph 4, of the MEF Decree, as amended and supplemented from time to time, to the integration of the Portfolio through Integration Assets.

"**Loan to Value Ratio**" means on a certain date and with reference to any single Mortgage Receivable, the ratio between: (a) the Outstanding Principal Balance of the specific Mortgage Receivable and (b) the most recent Market Value of the Real Estate related to such Mortgage Receivable.

"**Negative Carry Corrector**" means a percentage calculated by the Servicer that cannot be lower than 0.5 per cent.

"**Negative Report**" means each of the report to be delivered by the Calculation Agent under the Portfolio Administration Agreement in case of breach of any of the Mandatory Tests, the Over-Collateralisation Test or the Amortisation Test, as the case may be.

"**Non-Eligible Underlying Assets**" means the assets included in an ABS Securities (as calculated on the most recent calculation date of the relevant ABS Securities) which would not be eligible in accordance with the provisions of the MEF Decree.

"**Outstanding Principal Balance**" 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 at such date.

"**Outstanding Principal Balance of the Eligible Portfolio**" means the Outstanding Principal Balance of the Eligible Portfolio.

"**Outstanding Principal Balance of the OBG**" means the Outstanding Principal Balance of the outstanding OBG.

"**Present Value**" means, as of any date, the value resulting from discounting at a given discount rate a series of future payments or incomes (as the case may be).

"**Random Basis**" means any process which selects Assets on a basis that is not designated to favour the selection of any identifiable class, type or quality of assets over all the Assets forming part of the Portfolio.

"**Receivables in Arrears**" means those Mortgage Receivables which have not been classified as Defaulted Receivables and which have at least one Unpaid Instalment.

"**Reconciliation Date**" means the last calendar day of each Collection Period.

"**Required Redemption Amount**" means in respect of any relevant Series or Tranche OBG, the amount calculated as follows:

The Outstanding Principal Balance of the relevant Series or Tranche of OBG

multiplied (1+(Negative Carry Corrector * (days to the Maturity Date (or the Extended Maturity Date if applicable) of the relevant Series or Tranche OBG/365))

plus and any *pro rata* cost expected to be incurred by the OBG Guarantor up to the last Maturity Date (or the Extended Maturity Date if applicable) with respect to the relevant Series or Tranche of OBG.

"**Securities**" the ABS Securities, the Public Securities and the securities mentioned under Article, 2, para. 3, point 3, of the MEF Decree.

"**Selected Assets**" means the Assets selected on a Random Basis to be sold by the OBG Guarantor, following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default) pursuant to the terms of the Portfolio Administration Agreement.

"**Underlying Assets**" means the assets comprised in the relevant segregated portfolio backing the relevant ABS Securities.

"**Unpaid Instalment**" means a due instalment that has not been paid, also partially, within 30 days starting from the date on which it becomes due and payable.

Over-Collateralisation Test

The Portfolio and the other assets of the OBG Guarantor shall be also subject, on a quarterly basis as at each Calculation Date and prior to each issuance, to the following test, intended to ensure that the ratio between the OBG Guarantor's assets and the OBG is maintained at a certain minimum level. UniCredit (as Seller and Issuer) and any Additional Seller (if any) shall procure on a continuing basis and on each Calculation Date that the OC Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG (the "**Over-Collateralisation Test**").

The "**OC Adjusted Eligible Portfolio**" shall be calculated as follows: (A+B+C+D+E) - Z

Where

"A" is the aggregate of the values determined in respect of each Mortgage Receivable as the lower of (i) F, and (ii) G, where

"F" is P*M-T, where,

"P" means (i) VO + J*(VI - VO) if VI results to be higher than or equal to VO, or (ii) VI*80 per cent. or 60 per cent. (depending on whether the Mortgage Receivable is a Residential Mortgage Receivable or a Non-Residential Mortgage Receivable) if VI is lower than VO;

"VI" means the Market Value of the Real Estate;

"VO" means the original market value of the Real Estate;

"J" means 70 per cent.;

"M" means (a) in respect of a Residential Mortgage Receivable other than those Mortgage Receivables in respect of which (or in respect of the Loan Agreement from which such Mortgage Receivable arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) (i) 100 per cent. if the Residential Mortgage Receivables is not an Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per cent. if the Residential Mortgage Receivables is an Receivable in Arrear or (iii) 0 per cent. if the Residential Mortgage Receivable is a Defaulted Receivable, and (b) in respect of Non-Residential Mortgage Receivable, such other percentage determined by the Parties.

"T" means any financial loss incurred by the OBG Guarantor due to any breach of any other material representation and warranty by the Seller (or by any Additional Seller, if applicable), to the extent the

OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable);

"G" is the result of the Outstanding Principal Balance of the Mortgage Receivables other than those Mortgage Receivables in respect of which (or in respect of the Loan Agreement from which such Mortgage Receivable arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable), multiplied by the Asset Percentage *minus* T (as described above);

"B" means the balance of the Accounts opened with the Account Bank;

"C" means the balance of the Eligible Investments (with respect to the portion deriving from the Principal Collections only) without duplication with B and the Outstanding Principal Balance of the Securities without duplication with D and E;

"D" means the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio, *minus* the sum of, without double counting:

(i) the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio in relation to which a breach of any of the material representations and warranties contained in the relevant Master Transfer Agreement has occurred;

(ii) the aggregate Outstanding Principal Balance of all ABS Securities (comprised in the Eligible Portfolio) classified as Defaulted Securities;

(iii) if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5 per cent. of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Transaction), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5 per cent., *multiplied by*, in respect of each relevant ABS Transaction, the ratio between (i) the Outstanding Principal Balance of the relevant ABS Securities which have been transferred to the Guarantor, and (ii) the Outstanding Principal Balance of all the ABS Assets of the same class,

the amount resulting from the calculations above, *multiplied by* the Asset Percentage;

"E" means the aggregate Outstanding Principal Balance of the Public Securities *minus* (i) those Public Securities in respect of which (or in respect of the Agreement from which such Public Securities arises) any of the

representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) and (ii) those Public Securities classified as Defaulted Securities,

the amount resulting from the calculations above, *multiplied by* the Asset Percentage;

"Z" means the amount resulting from the multiplication of (i) the weighted average residual maturity of any OBG outstanding expressed in days and divided by 365, (ii) the Outstanding Principal Balance of the OBG, and (iii) the Negative Carry Corrector;

the calculations above will be performed without including any Integration Assets in excess of the Limit to the Integration.

For the purpose of this section:

"**Asset Percentage**" means, with reference to each Calculation Date, a percentage from time to time determined by the Issuer on behalf of the OBG Guarantor and notified to the Representative of the OBG Holders, the Calculation Agent and the Additional Calculation Agent by not later than 5 Business Days before each Calculation Date.

Amortisation Test

The Amortisation Test has the scope to ensure that on each Calculation Date following the service of a Notice to Pay (but prior to the occurrence of a Guarantor Event of Default) the Amortisation Amount (as defined below) will be an amount at least equal to the aggregate Outstanding Principal Balance of the OBG as calculated on the relevant Calculation Date. Failure to satisfy the Amoritsation Test on any relevant Calculation Date will constitute a Guarantor Event of Default

The Amortisation Test will be calculated on each Calculation Date as follows:

(A + B + C+ D + E) - Z >= Outstanding Principal Balance of the OBGs

where,

"**Amortisation Amount**" means (A + B + C + E) - Z;

"**A**"= is, the aggregate of the values determined in respect of each Mortgage Loan as the lower between (i) the Outstanding Principal Balance of the Mortgage Receivable * M, and (ii) P * M

"**M**" means: (a) in respect of a Residential Mortgage Receivables (i) 100 per cent. if the Residential Mortgage Receivable is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 85 per cent. if the Residential Mortgage Receivable is a Receivable in Arrear or (iii) 60 per cent. if the Residential Mortgage Receivable is a Defaulted Receivable, and (b) in respect of Non-Residential Mortgage Receivable, such other percentages determined by the parties.

"**P**" means (i) VO + J * (VI - VO) if VI results to be higher than or equal to VO, or (ii) VI * 80 per cent. or 60 per cent. (depending on whether the Mortgage Receivable is a Residential Mortgage Receivable or a Non-Residential Mortgage Receivable) if VI is lower than VO;

"**VI**" means the Market Value of the Real Estate;

"**VO**" means the original market value of the Real Estate;

"**J**" means 70 per cent.;

"**B**" means the balance of the Accounts opened with the Account Bank;

"**C**" means the balance of the Eligible Investments purchased using Principal Collections (without duplication with B) and the Outstanding Principal Balance of the Securities wich are not included under points D and E below;

"**D**" means the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio, *minus* the sum of, without double counting:

(i) the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio in relation to which a breach of any of the material representations and warranties contained in the relevant Master Transfer Agreement has occurred;

(ii) the aggregate Outstanding Principal Balance of all ABS Securities (comprised in the Eligible Portfolio) classified as Defaulted Securities;

(iii) if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5 per cent. of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Transaction), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5 per cent., *multiplied by*, in respect of each relevant ABS Transaction, the ratio between (i) the Outstanding Principal Balance of the relevant ABS Securities which have been transferred to the Guarantor, and (ii) the Outstanding Principal Balance of all the ABS Assets of the same class;

"E" means the aggregate Outstanding Principal Balance of the Public Assets *minus* (i) those Public Assets in respect of which (or in respect of the Agreement from which such Public Securities arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) and (ii) those Public Assets classified as Defaulted Receivables or Defaulted Security (as the case maybe);

"Z" means the amount resulting from the multiplication of (i) the weighted average residual maturity of any OBG outstanding expressed in days and divided by 365, (ii) the Outstanding Principal Balance of the OBG, and (iii) the Negative Carry Corrector.

Reserve Account

The Reserve Account is held in the name of the OBG Guarantor for the purpose of setting aside, on each Guarantor Payment Date, the amount necessary to reach the Total Target Reserve Amount.

In the event that a payment is required to the OBG Guarantor under the OBG Guarantee, such Total Target Reserve Amount is determined in an amount sufficient to ensure at each Guarantor Payment Date that, the OBG Guarantor would have sufficient funds set aside to pay any amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer.

The Total Target Reserve Amount will be accumulated over time allocating the amount of excess spread available, from time to time, according to the relevant Priority of Payments.

Therefore the Total Target Reserve Amount is expected to increase over time upon each relevant Guarantor Payment Date.

ACCOUNTS AND CASH FLOWS

ACCOUNTS

The following accounts (together with any other account to be opened in accordance with the Cash Management and Agency Agreement, the "**Accounts**") shall be established and maintained with the Account Bank and the Paying Agent as separate accounts in the name of the OBG Guarantor.

The Interest Collection Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which:

(i) on a daily basis by the end of the Business Day immediately following each date of actual collection, all the amounts received or recovered as interest in relation to the Assets – as they are collected in accordance with the Servicing Agreement by the Servicer – will be deposited by the Servicer into the Interest Collection Account, together with all the payments (other than those in respect of principal) deriving from the Transaction Documents;

(ii) on each Collection Date, any net interest amount accrued and liquidated on the Principal Collection Account, the Reserve Account and the Expenses Account during the preceding Collection Period will be transferred to the Interest Collection Account;

(iii) on each Liquidation Date (i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Interest Collection Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any) and Securities (if any, other than ones already included in the Eligible Investments), will be transferred to the Interest Collection Account; and

(iv) on a daily basis any amount received as interest by the OBG Guarantor from any party to the Transaction Documents, other than any amount which is expressed to be paid to any other Account pursuant to the Cash Management and Agency Agreement.

Withdrawals.

(i) on each date falling 2 Business Days before each Guarantor Payment Date all the amounts necessary to meet any payment obligation on the OBG Guarantor under the applicable Priority of Payments (as defined below) (and standing to the credit of the Interest Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred to the Payment Account (as defined below), together with any amount transferred to the Interest

Collection Account on the immediately preceding Liquidation Date and necessary to meet such obligations; and

(ii) on a weekly basis, upon instruction of the Cash Manager, all the amounts standing to the credit from time to time of the Interest Collection Account may be transferred to the Eligible Investments Account.

(the "**Interest Collection Account**").

The Principal Collection Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*:

(i) on a daily basis by the end of the Business Day immediately following each date of actual collection, all the amounts received or recovered as principal in relation to the Assets – as they are collected in accordance with the Servicing Agreement by the Servicer – will be transferred by the Servicer to the Principal Collection Account, together with all the amounts in respect of principal deriving from the Transaction Documents;

(ii) on each Guarantor Payment Date, any amount paid in accordance with item (iv) of the Pre-Issuer Event of Default Interest Priority will be transferred by the Paying Agent to the Principal Collection Account;

(iii) on each Liquidation Date, all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) and Securities (if any, other than the ones already included in the Eligible Investments) purchased using amount standing to the credit of the Principal Collection Account and any principal component of Integration Assets and Securities (if any, other than the ones already included in the Eligible Investments) will be transferred to the Principal Collection Account; and

(iv) on a daily basis any principal amount received by the OBG Guarantor from any party to the Transaction Documents, other than any amount which is expressed to be paid to any other Account pursuant to the Cash Management and Agency Agreement.

Withdrawals.

(i) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the applicable Priority of Payments (and standing to the credit of the Principal Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred to the Payment Account together with any amount transferred from the Eligible Investments Account (if any) to the Principal Collection Account on the immediately preceding Liquidation Date and necessary to meet such obligations;

(ii) on each Collection Date, any net interest amount accrued and liquidated on the Principal Collection Account during the preceding Collection Period shall be transferred to the Interest Collection Account; and

(iii) on a weekly basis, upon instruction of the Cash Manager, all the amounts standing to the credit from time to time to the Principal Collection Account (other than any net interest amount accrued and liquidated on the Principal Collection Account) may be transferred to the Eligible Investments Account.

(the "**Principal Collection Account**" and, together with the Interest Collection Account, the "**Collection Accounts**").

The Reserve Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*:

(i) on each Guarantor Payment Date, in accordance with the applicable Priority of Payments, any amount necessary to reach the Total Target Reserve Amount shall be transferred by the Paying Agent to the Reserve Account; and

(ii) on each Liquidation Date, all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account shall be transferred to the Reserve Account.

Withdrawals.

(i) on each date falling 2 Business Days before each Guarantor Payment Date corresponding to an OBG Payment Date, all the amounts standing to the credit of the Reserve Account shall be transferred to the Payment Account; and

(ii) on each Collection Date, any net interest amount accrued and liquidated on the Reserve Account during the preceding Collection Period shall be transferred to the Interest Collection Account;

(iii) on a weekly basis, upon instruction of the Cash Manager, the OBG Guarantor shall transfer or procure to transfer all the amounts standing to the credit from time to time to the Reserve Account (other than any net interest amount accrued and liquidated on the Reserve Account) to the Eligible Investments Account.

(the "**Reserve Account**").

The Payment Account

Deposits. A Euro-denominated current account established and maintained with the Paying Agent into which, *inter alia*:

(i) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the OBG Guarantee and in accordance with the applicable Priority of Payments (and standing to the credit of the Interest Collection Account on the

calendar day immediately preceding the last Collection Date) shall be transferred from the Interest Collection Account to the Payment Account, together with any amount transferred to the Interest Collection Account on the immediately preceding Liquidation Date;

(ii) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the OBG Guarantee and in accordance with the applicable Priority of Payments (and standing to the credit of the Principal Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred from the Principal Collection Account to the Payment Account together with any amount transferred from the Eligible Investments Account (if any) to the Principal Collection Account on the immediately preceding Liquidation Date;

(iii) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts standing to the credit of the Reserve Account and exceeding the Total Target Reserve Amount (if any) shall be transferred from the Reserve Account to the Payment Account; and

(iv) (i) on each date falling 2 Business Days before each Guarantor Payment Date (which is not the Programme Termination Date) and (ii) on the date falling 2 Business Days before the Programme Termination Date, all the amounts standing to the credit of the Expenses Account shall be credited from the Expenses Account to the Payment Account.

Withdrawals. On each Guarantor Payment Date, all the amounts standing to the credit of the Payment Account shall be applied by the Paying Agent to make any payment to be executed according to the relevant Priority of Payments as shown in the Payments Report.

(the "**Payment Account**").

The Eligible Investments Account

Deposits. A Euro-denominated current account established and maintained with the Paying Agent into which, on a weekly basis, all the amounts standing from time to time to the credit of:

(i) the Interest Collection Account;

(ii) the Principal Collection Account (other than any net interest amount accrued and liquidated on the Principal Collection Account), and

(iii) the Reserve Account (other than any net interest amount accrued and liquidated on the Reserve Account).

may be transferred or procured to be transferred by the OBG Guarantor, upon instruction of the Cash Manager.

Withdrawals. On each Liquidation Date, the OBG Guarantor shall transfer or procure to transfer:

(i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Interest Collection Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any), to the Interest Collection Account;

(ii) all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Principal Collection Account to the Principal Collection Account, and

(iii) all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account to the Reserve Account.

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

The Securities Account

A Euro-denominated securities account opened with the Paying Agent into which, *inter alia*, the OBG Guarantor shall keep from time to time (i) the Securities or the Integration Assets (to the extent that they are financial instruments) owned by the OBG Guarantor as a result of investing in Eligible Investments and (ii) the Securities or the Integration Assets (to the extent that they are financial instruments) owned by the OBG Guarantor and purchased from the Seller or the Additional Seller (if any) (the "**Securities Account**").

The Expenses Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*, the Paying Agent shall transfer, on each Guarantor Payment Date, and in accordance with the applicable Priority of Payments, any amount necessary to reach the Target Expenses Amount.

Withdrawals.

(i) at any time all the amounts standing to the credit of the Expenses Account shall be applied to pay the expenses due and payable at any time;

(ii) on each date falling at the end of each Collection Period, the OBG Guarantor shall transfer or procure to transfer any net interest amount accrued and liquidated on the Expenses Account to the Interest Collection Account; and

(iii) (i) on each date falling 2 Business Days before each Guarantor Payment Date (which is not the Programme Termination Date) and (ii) on the date falling 2 Business Days before the Programme Termination Date, all the amounts standing to the credit of the Expenses Account shall be transferred to the Payment Account.

(the "**Expenses Account**")

For the purposes of this section:

"**Target Expenses Amount**" means €50,000.

"**Initial Issue Date**" means the date on which the Issuer will issue the first Series of OBG.

"**Liquidation Date**" means the date falling 4 Business Days before a Guarantor Payment Date.

"**Total Target Reserve Amount**" means, on each Guarantor Payment Date, prior to the occurrence of an Issuer Event of Default and the delivery of a Notice to Pay, the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor.

CASH FLOWS

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

Pre-Issuer Event of Default Interest Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Interest Available Funds (as defined below) 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: (a) any OBG Guarantor's documented fees, costs, expenses and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence (the "**Expenses**"), to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

(ii) *second*, 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 OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the

Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to replenish the Reserve Account up to the Total Target Reserve Amount;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount necessary to cover the amounts transferred from the Pre-Issuer Event of Default Principal Priority according to item (i) on any preceding Guarantor Payment Date and not paid yet;

(v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vii) *seventh*, provided that a Programme Suspension Period is not continuing and after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan (or additional subordinated loan provider, if any, under any additional subordinated loan), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or the relevant additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(viii) *eighth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Loan Interest Amount (as defined below) due and payable under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment.

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

"**Target Expenses Amount**" means at each Guarantor Payment Date the amount of €50,000.

"**Total Target Reserve Amount**" means, on each Guarantor Payment Date, prior to the occurrence of an Issuer Event of Default and the delivery of a Notice to Pay, the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor.

Pre-Issuer Event of Default Principal Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Principal Available Funds (as defined below) 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 amount due and payable under items (i) and (ii) (other than any amount due according to (i) b)) of the Pre-Issuer Event of Default Interest Priority, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

(ii) *second*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the purchase price of the Assets and Integration Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment;

(iii) *third*, if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds up to the Required Redemption Amount of any Series of OBG outstanding and to comply with the Over-Collateralisation Test and Mandatory Test;

(iv) *fourth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (v) of the Pre-Issuer Event of Default Interest Priority;

(v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (vi) of the Pre-Issuer Event of Default Interest Priority;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof and after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), the amount due as principal redemption under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

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

On each Guarantor Payment Date the "**Interest Available Funds**" shall include (a) any interest received from the Portfolio during the Collection Period immediately preceding such Guarantor Payment Date, (b) any interest amount received by the OBG Guarantor as remuneration of the Accounts during the Collection Period immediately preceding such Guarantor Payment Date, (c) any amount received as interest by the OBG Guarantor from any party to the Transaction Documents (other than amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date, (d) any amount deposited in the Reserve Account as at the Calculation Date immediately preceding such Guarantor Payment Date (other than the amount already allocated under item (b)), (e) any amount deposited in the Interest Collection Account, as at the preceding Guarantor Payment Date, (f) the amount standing to the credit of the Expenses Account (other than amounts already allocated under item (b)) at the end of the Collection Period preceding such Guarantor Payment Date (which is not a Programme Termination Date) and (g) any net interest amount or income from any Eligible Investments or of the Securities (without duplication with the Eligible Investments) liquidated at the immediately preceding Liquidation Date.

On each Guarantor Payment Date the "**Principal Available Funds**" shall include: (a) any principal payment received during the Collection Period immediately preceding such Guarantor Payment Date; (b) any principal amount received by the OBG Guarantor as reimbursement of the Eligible Investments liquidated on the immediately preceding Liquidation Date arising from investment made using principal collection; (c) any principal amount received by the OBG Guarantor from any party to the Transaction Documents (other than the amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date; (d) any amount standing to the credit of the Principal Collection Account (other than the amounts already allocated under item (a)) at the end of the Collection Period preceding such Guarantor Payment Date net of any interest accrued thereon; (e) the amount standing to the credit of the Expenses Account on the Programme Termination Date and (f) any principal amount arising out from the liquidation of Securities (without duplication with the (b) above) liquidated at the immediately preceding Liquidation Date arising from investment made using principal collection.

"**Collection Period**" means (a) prior to the occurrence of a Guarantor Event of Default, any period between each Collection Date (included) and the following Collection Date

(excluded), save for the first Collection Period, where the Collection Period is comprised between the Evaluation Date (included) in respect to the transfer of the Initial Portfolio and 1 April 2012 (excluded) and (b) after the occurrence of a Guarantor Event of Default, any period between two Business Days.

"**Collection Date**" means 1 January, 1 April, 1 July and 1 October of each year and, following an Issuer Event of Default, the first calendar day of each month.

"**Evaluation Date**" means (a) in respect of the Initial Portfolio the beginning of 1 January 2012 and (b) in respect of any New Portfolio, the date indicated as such in the relevant offer for the transfer of New Portfolios.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following an Issuer Event of Default and the service of a Notice to Pay, but prior to the occurrence of a Guarantor Event of Default, the OBG Guarantor will use the Available Funds, 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 (a) the Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, (b) all amounts due and payable to the Seller and/or by the Additional Seller (if any) or the party indicated by the Seller or the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset still owned by the OBG Guarantor;

(ii) *second*, 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 OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to pay, *pari passu* and *pro rata* interest on the OBG and to replenish the Reserve Account up to the Total Target Reserve Amount;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as principal on the OBG on their relevant OBG Payment Dates;

(v) *fifth*, to deposit on the relevant OBG Guarantor's Accounts any residual amount until the Required Redemption Amount for each Series of OBG outstanding has been accumulated and the Amortisation Test and the Mandatory Test would still be satisfied after such payment;

(vi) *sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(viii) *eighth*, after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan, to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider under the Subordinated Loan provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

(ix) *ninth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any), provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment; and

(x) *tenth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any) provided that the Amortisation Test and the Mandatory Tests would still be satisfied after such payment;

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

"**Available Funds**" shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) following the occurrence of an Issuer Event of Default, the Excess Proceeds.

"**Excess Proceeds**" means the amounts received by the OBG Guarantor as a result of any enforcement taken against the Issuer in accordance with Article 4, Paragraph. 3 of the MEF Decree.

"**Negative Carry Corrector**" means a percentage calculated by the Servicer that cannot be lower than 0.5 per cent.

"**Required Redemption Amount**" means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

The Outstanding Principal Balance of the relevant Series or Tranche OBG

multiplied

(1 + (Negative Carry Corrector * (days to the Maturity Date (or the Extended Maturity Date if applicable) of the OBG/365))

plus and any *pro rata* cost expected to be incurred by the OBG Guarantor up to the last Maturity Date (or the Extended Maturity Date if applicable) with respect to that OBG.

Post-Guarantor Event of Default Priority

On each Guarantor Payment Date, following the service of a Guarantor Acceleration Notice, the OBG Guarantor will use the Available Funds, 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 (a) any Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

(ii) *second*, 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 OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any) and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to pay, *pari passu* and *pro rata* any interest and principal amount due on the OBG;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;

(v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);

(vi) *sixth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan

Agreement (or additional subordinated loan agreement), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and

(viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any);

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

USE OF PROCEEDS

The net proceeds to the Issuer from the issue of all OBG will be applied by the Issuer for general funding purposes of the Group (including funding of the mortgage loans business of the Group). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Master transfer agreement

Pursuant to a master transfer agreement entered into on 13 January 2012, as from time to time amended, (the "**Master Transfer Agreement**"), between the Seller and the OBG Guarantor, the Seller assigned to the OBG Guarantor the Initial Portfolio and the parties thereto agreed that the Seller may assign and transfer Mortgage Receivables satisfying the General Criteria and the Specific Criteria and other Assets and/or Integration Assets to the OBG Guarantor from time to time, in the cases and subject to the limits for the transfer of further Assets and/or Integration Assets, on a revolving basis.

The Initial Purchase Price has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement the relevant parties thereto have acknowledged that the Initial Purchase Price shall be funded through the proceeds granted in accordance with the Subordinated Loan Agreement.

Further Assignments

For the assignment of each New Portfolio comprised of Mortgage Receivables, the OBG Guarantor shall pay the Seller an amount equal to the aggregate of the individual receivable price (equal to the value of each Receivable as it results from the Seller's latest balance sheet) of all the Mortgage Receivables in such New Portfolio.

Each New Portfolio shall be composed exclusively of Assets or Integration Assets, which comply with the General Criteria and (if applicable in relation to the relevant issuance, the Specific Criteria) on the relevant purchase date, provided that, pursuant to the BoI OBG Regulations, the Master Transfer Agreement and the Portfolio Administration Agreement, total Integration Assets shall not exceed the Limit to the Integration.

The Further Assignments shall be aimed at:

(a) collateralising and allowing the issue of further series of OBG by the Issuer, subject to the Limits to the Assignment (the "**Issuance Collateralisation Assignment**");

(b) investing the Principal Available Funds in the purchase of further Assets or Integration Assets, provided that a Programme Suspension Period is not continuing (the "**Revolving Assignment**"); and/or

(c) comply with the Over-Collateralisation Test and the Mandatory Tests in accordance with the Portfolio Administration Agreement (the "**Integration Assignment**"), subject to the limits referred to the Limit to the Integration.

The obligation of the OBG Guarantor to purchase any New Portfolio shall be:

(i) conditional upon (a) the existence of sufficient Principal Available Funds to be applied under item (iii) of the Pre-Issuer Default Principal Priority of Payments for the perfection of Revolving Assignments, or (b) the funding of the requested amounts under the Subordinated Loan Agreement for the perfection of Issuance Collateralisation Assignments or Integration Assignments; and

(ii) subject to certain conditions subsequent set out in the Master Transfer Agreement.

Criteria

Each of the receivables forming part of the Portfolio shall comply with all the General Criteria, while, in the context of the sale of further portfolios of Mortgage Receivables shall comply also with the relevant Specific Criteria.

Price Adjustments

The Master Transfer Agreement provides a price adjustment mechanism pursuant to which:

(i) if, following the relevant Effective Date, any mortgage receivable which is part of the Initial Portfolio or of a New Portfolio does not meet the Criteria, then such mortgage receivable will be deemed not to have been assigned and transferred to the OBG Guarantor pursuant to the Master Transfer Agreement; and

(ii) if, following the relevant Effective Date, any Mortgage Receivable which meets the Criteria but it is not part of the Initial Portfolio or of a New Portfolio, then such Mortgage Receivable shall be deemed to have been assigned and transferred to the OBG Guarantor as of the Evaluation Date of the relevant Portfolio, pursuant to the Master Transfer Agreement.

In accordance with the above, the Seller and the OBG Guarantor have set up a proper mechanism to manage the necessary settlements for the substitution or acquisition of the relevant Mortgage Receivables 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

The Seller is granted an option right, pursuant to article 1331 of Italian Civil Code, to repurchase the Mortgage Receivables and/or Securities individually or in block, also in different tranches. In order to exercise the option right, the Seller is required to pay the OBG Guarantor an amount equal to the sum of: (a) the Initial Purchase Price paid to the Seller with reference to such Mortgage Receivable and/or Security, *less* (b) the total amount of the principal amounts collected in the period between the Evaluation Date (excluded) concerning such Mortgage Receivable and/or Security and the Date of Carve Out, *plus* (d) the possible damages and losses borne by the OBG Guarantor as consequences of any claim raised by third parties and referred to such Mortgage Receivable and/or Security.

The Seller is granted a pre-emption right to repurchase Mortgage Receivables and Securities to be sold by the OBG Guarantor to third parties, at the same terms and conditions provided for such third parties. Such pre-emption rights shall cease if the Seller is submitted to any of the procedures set forth in Title V of the Banking Law.

Termination of the OBG Guarantor's obligation to purchase and termination of the agreement

Pursuant to the Master Transfer Agreement, the obligation of the OBG Guarantor to purchase New Portfolios shall terminate upon the occurrence of any of the following: (i) a breach of

the undertakings and duties assumed by the Seller pursuant to the Transaction Documents, in the event such breach is not cured within the period specified in the Master Transfer Agreement, or it is otherwise not curable; (ii) a breach of the Seller's representations and warranties given in any of the Transaction Documents; (iii) a Seller's material adverse change; (iv) an enforcement against the Sellers' assets, winding-up of the Seller, opening of a bankruptcy or insolvency proceeding; (v) the Seller being submitted to judicial proceeding which may cause the occurrence of a material adverse change of the Seller; or (vi) the Programme Termination Date has occurred. Further to the occurrence of an event described above, the OBG Guarantor shall no longer be obliged to purchase New Portfolios.

Undertakings

The Master Transfer Agreement also contains a number of undertakings by the Seller in respect of its activities in relation to the Mortgage Receivables, the Securities, the Guarantees and the Loan Agreements. The Seller has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Mortgage Receivables, the Securities and the Guarantees which may prejudice the validity or recoverability of the same and in particular not to assign or transfer the Mortgage Receivables, the Securities and the Guarantees 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 Mortgage Receivables, the Securities and the Guarantees. The Seller also has undertaken to refrain from any action which could cause any of the Mortgage Receivables or Guarantees to become invalid or to cause a reduction in the amount of any of the Receivables or the Guarantee. The Master Transfer Agreement also provides that the Seller shall waive any set off rights in respect of the Mortgage Receivables, and cooperate actively with the OBG Guarantor in any activity concerning the Mortgage Receivables.

Main Definitions

For the purposes of the Master Transfer Agreement:

"**Additional Guarantee**" means any guarantee, establishing a right *in rem* or *in personam*, other than the Mortgages, provided by a Debtor, a Guarantor of a Receivable or Security or by any other person or entity in order to guarantee (i) the payments of the Mortgage Receivables and (ii) the satisfaction of the obligations arising from the Loan Agreements and the Securities.

"**Date of Carve Out**" means 30 Business Days starting from the date on which (i) the Seller or the OBG Guarantor (as the case maybe) has been served with a written notice or (ii) an agreement has been reached between the Seller and the OBG Guarantor or (iii) the date fixed by a third party in accordance with the Clause 9.6 (*Arbitraggio*) of the Master Transfer Agreement.

"**Debtor**" means any person, entity or subject, also different from the Beneficiary, who is liable for the payment of amounts due, as principal and interest, in respect of a Mortgage Receivable or Security.

"**Guarantees**" means jointly or, where the context otherwise requires, severally, the Mortgages and the Additional Guarantees.

"**Guarantor of a Receivable or Security**" means any person, entity or subject, different from the Debtor and including any successor, who has granted a Mortgage or an Additional Guarantee in order to guarantee the payments of a Receivable or Security.

"**Mortgages**" means the mortgages established on Real Estates from the relevant Mortgagor in order to guarantee the payments of the Mortgage Receivables.

"**New Portfolio**" means any portfolio of Assets (which, in respect of Mortgage Receivables complies with the General and the Specific Criteria) which, further to the sale of the Initial Portfolio, the Seller will assign to the OBG Guarantor in accordance with the Master Transfer Agreement.

"**Real Estates**" means the real estates subjected to mortgage as guarantee for Mortgage Receivables.

Governing Law

The Master Transfer Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian Law.

Warranty and Indemnity Agreement

Pursuant to a warranty and indemnity agreement entered into on 13 January 2012, as amended from time to time, between the Seller and the OBG Guarantor (the "**Warranty and Indemnity Agreement**"), the Seller made certain representations and warranties to the OBG Guarantor.

Specifically, as of the date of execution of the Master Transfer Agreement (and with reference to the representations and warranties concerning the Mortgage Receivables and the Securities, also on any relevant effective transfer date) and, with reference to the representations and warranties concerning the Transaction Documents, as of each relevant Issue Date, the Seller has given and will be deemed to repeat to the OBG Guarantor, *inter alia*, certain representations and warranties about: (i) its status and powers, (ii) the information and the documents provided to the OBG Guarantor, (iii) its legal title on the Assets (iv) the status of the Assets and (v) the terms and conditions of the Assets.

Pursuant to the Warranty and Indemnity Agreement, the Seller has undertaken to fully and promptly indemnify and hold harmless the OBG Guarantor and its officers, directors and agents (each, an "**Indemnified Person**"), 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 Receivable for damages by third parties) awarded against, or incurred by, any of them, arising from any representations and/or warranties made by the Seller under the Warranty and Indemnity Agreement being actually false, incomplete or incorrect and/or failure by the Seller to perform any of the obligations and undertakings assumed by the Seller.

Without prejudice of the foregoing, the Seller has further undertaken that, if any Mortgage Receivable or Security does not exist, in whole or in part, (including where such non existence is based only on a judicial pronouncement that is not definitive), the Seller shall

immediately pay the OBG Guarantor any damage, costs, expenses incurred by the OBG Guarantor. In the event that, thereafter, any definitive judicial pronouncement recognises that such Receivable exists, the OBG Guarantor shall repay the amounts mentioned above received by the Seller on the immediately subsequent Guarantor Payment Date, in accordance with the relevant Priority of Payments.

The parties to the Warranty and Indemnity Agreement agreed that, further to the breach of any of the representations and warranties which have not been indemnified by the Seller within 30 days from the notice of the breach, the Seller is entitled to exercise a call option and the OBG Guarantor a put option, in respect of the Mortgage Receivables and the Securities with reference to which a breach of the representations and warranties occurred.

Governing Law

The Warranty and Indemnity Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian Law.

Subordinated Loan Agreement

Pursuant to a subordinated loan agreement entered into on 13 January 2012, as amended from time to time, between the Seller and the OBG Guarantor (the "**Subordinated Loan Agreement**"), the Seller granted the OBG Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to €10,000,000,000, save for further increases to be determined by the Seller as subordinated loan provider. Under the provisions of such agreement, upon the relevant disbursement notice being filed by the OBG Guarantor, the Seller shall make advances to the OBG Guarantor in amounts equal to the relevant price of the Initial Portfolio and each New Portfolios transferred from time to time to the OBG Guarantor in view of (a) collateralising the issue of further OBG or (b) carrying out an integration of the Portfolio, through Assets or Integration Assets, in order to prevent a breach of the Over-Collateralisation Test or/and of the Mandatory Tests.

The OBG Guarantor shall pay any amounts due under the Subordinated Loan in accordance with the relevant Priority of Payments. The OBG Guarantor shall use the proceeds arising from the Subordinated Loan Agreement: (i) as consideration in part for the acquisition of Assets from the Seller pursuant to the terms of the Master Transfer Agreement, as described above, and/or (ii) to invest in Integration Assets in an amount not exceeding the prescribed limit.

The Subordinated Loan shall bear interest in an amount equal to the algebraic sum of:

(i) (+) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan;

(ii) (-) (a) the sum of any amount paid under items from (i) to (vii) of the Pre-Issuer Event of Default Interest Priority or (b) following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the sum of any amount paid under items from (i) to (viii) of the Post- Issuer Event of Default Interest Priority or (c) following the occurrence of a Guarantor Event of Default, the sum of any amount paid under items from (i) to (vi) of the Post-Guarantor Event of Default Priority;

(the "**Subordinated Loan Interest Amount**").

The OBG Guarantor shall reimburse any amount due as principal under the Subordinated Loan Agreement on a lump sump on the last Maturity Date or the Extended Maturity Date, where applicable. If an interpretation of the Bank of Italy, or other competent authority, confirms the possibility for the OBG Guarantor to partially repay the Subordinated Loan prior to the repayment of all the OBG, subject to certain conditions set out therein, the OBG Guarantor will reimburse the Subordinated Loan upon receipt of a request to that effect from the Seller.

Governing Law

The Subordinated Loan Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

OBG Guarantee

Pursuant to a guarantee entered into on 19 January 2012 between the OBG Guarantor and the Representative of the OBG Holders, the OBG Guarantor issued a guarantee securing the payment obligations of the Issuer under the OBG (the "**OBG Guarantee**"), in accordance with the provisions of Law 130 and of the MEF Decree.

Under the terms of the OBG Guarantee, if the Issuer defaults in the payment on the due date (subject to any applicable grace periods) of any moneys due and payable under or pursuant to the OBG, or if any other Issuer Event of Default occurs and the service by the Representative of the OBG Holders of a Notice to Pay, the OBG Guarantor has agreed (subject as described below) to pay, or procure to be paid, unconditionally and irrevocably to or to the order of the Representative of the OBG Holders (for the benefit of the OBG Holders), any amounts due under the OBG as and when the same were originally due for payment by the Issuer, as of any Maturity Date or, if applicable, Extended Maturity Date.

Pursuant to Article 7-*bis*, paragraph 1, of Law 130 and Article 4 of the MEF Decree, the guarantee provided under the OBG Guarantee is a first demand (*a prima richiesta*), unconditional, irrevocable (*irrevocabile*) and independent guarantee (*garanzia autonoma*) and therefore provides for direct and independent obligations of the OBG Guarantor vis-à-vis the OBG Holders and with limited recourse to the Available Funds, irrespective of any invalidity, irregularity, unenforceability or genuineness of any of the guaranteed obligations of the Issuer. 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 (*Escussione preventiva*), 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 OBG Guarantee.

Following the service of a Notice to Pay on the OBG Guarantor, but prior to the occurrence of a Guarantor Event of Default, payment by the OBG Guarantor of the Guaranteed Amounts pursuant to the OBG Guarantee will be made, subject to and in accordance with the Post-Issuer Event of Default Priority, on the relevant Scheduled Due for Payment Date, provided

that, if an Extended Maturity Date is envisaged under the relevant Final Terms and actually applied, any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the OBG Guarantor on any Scheduled Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. In addition, where the OBG 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 OBG, to the extent that the OBG 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.

If a Notice to Pay has been served as a result of an Issuer Event of Default consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer and has been subsequently cured and no other Issuer Event of Default or Guarantor Event of Default has occurred and is continuing, the Representative of the OBG Holders will deliver to the OBG Guarantor a notice (the "**Cure Notice**") informing the OBG Guarantor that the Issuer Event of Default (consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer) then outstanding has been revoked and the OBG Guarantor's obligation to make payment of the Guaranteed Amounts in accordance with the OBG Guarantee shall cease to apply until the OBG Guarantee has newly enforced by the Representative of the OBG Holders.

Following the service of a Guarantor Acceleration Notice all OBG of all Series will accelerate, in accordance with the Conditions, against the OBG Guarantor becoming due and payable, and they will rank *pari passu* amongst themselves and the Available Funds shall be applied in accordance with the Post-Guarantor Events of Default Priority.

All payments of Guaranteed Amounts by or on behalf of the OBG Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature unless such withholding or deduction of such taxes, assessments or other governmental charges are required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the OBG 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 OBG Guarantor will not be obliged to pay any amount to any OBG Holder in respect of the amount of such withholding or deduction.

Exercise of rights

Following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the OBG Guarantor, but prior to the occurrence of any Guarantor Event of Default, and with reference and as of the date of administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer in accordance with the provisions of Article 4, paragraph 3 of the MEF Decree, the OBG Guarantor, shall substitute the Issuer in all obligations of the Issuer towards the OBG Holders in accordance with the terms and conditions originally set out for the OBG, so

that the rights of payment of the OBG Holders in such circumstance will only be the right to receive payments of the Scheduled Interest and the Scheduled Principal from the OBG Guarantor on the Scheduled Due for Payment Date. In consideration of the substitution of the OBG Guarantor in the performance of the payment obligations of the Issuer under the OBG, the OBG Guarantor (directly or through the Representative of the OBG Holders) shall exercise, on an exclusive basis and, to the extent applicable, in compliance with the provisions of Article 4, paragraph 3 of the MEF Decree, the rights of the OBG Holders vis-à-vis the Issuer and any amount recovered from the Issuer will be part of the Available Funds.

As a consequence and as expressly indicated in the Conditions, the OBG Holders have irrevocably delegated to the OBG Guarantor (also in the interest and for the benefit of the OBG Guarantor) the exclusive right to proceed against the Issuer to enforce the performance of any of the payment obligations of the Issuer under the OBG including any rights of enforcing any acceleration of payment provisions provided under the Conditions or under the applicable legislation. For this purpose the OBG Holders upon request of the OBG Guarantor, shall provide the OBG Guarantor with any powers of attorney and/or mandates as the latter may deem necessary or expedient for taking all necessary steps to ensure the timely and correct performance of its mandate.

For the purposes of the OBG Guarantee:

"**Due for Payment Date**" means: (i) a Scheduled Due for Payment Date or (ii) following the occurrence of a Guarantor Event of Default, the date on which the Guarantor Acceleration Notice is served on the OBG Guarantor. If the Due for Payment Date is not a Business Day, the Due for Payment Date will be the next following Business Day. For the avoidance of doubt, Due for Payment Date does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, mandatory or optional redemption or otherwise.

"**Guaranteed Amounts**" means: (i) prior to the service of a Guarantor Acceleration Notice, with respect to any Guarantor Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Guarantor Payment Date and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, or (ii) after the service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount (as defined and specified in the Conditions) plus all accrued and unpaid interest and all other amounts due and payable in respect of the OBG, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or Extended Maturity, 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 timely paid by or on behalf of the Issuer to the OBG Holders to the extent it has been clawed back and recovered from the OBG Holders by the receiver or liquidator, 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**").

"**Scheduled Due for Payment Date**" means:

(i) (a) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, and (b) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor in respect of such Guaranteed Amounts and (ii) the relevant Scheduled Payment Date; or

(ii) if the applicable Final Terms specified that an Extended Maturity Date is applicable to the relevant series of OBG, the OBG Payment Date that would have applied if the Maturity Date of such series of OBG had been the Extended Maturity Date or such other OBG Payment Date(s) as specified in the relevant Final Terms.

"**Scheduled Interest**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on such OBG Payment Date as specified in the Conditions falling on or after service of a Notice to Pay on the OBG Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest, which are hereinafter referred to as the "**Excluded Scheduled Interest Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on each OBG Payment Date as specified in the Conditions falling on or after the service of a Guarantor Acceleration Notice and including such Excluded Scheduled Interest Amounts (whenever the same arose), 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 under the circumstances set out in the Conditions.

"**Scheduled Payment Date**" means, in relation to payments under the OBG Guarantee, each OBG Payment Date.

"**Scheduled Principal**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on such OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties or premiums, which are hereinafter referred to as the "**Excluded Scheduled Principal Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on each OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions and including such Excluded Scheduled Principal Amounts (whenever the same arose).

Governing Law

The OBG Guarantee, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Servicing Agreement

Pursuant to a servicing agreement entered into on 13 January 2012, between the Servicer and the OBG Guarantor, as amended from time to time, (the "**Servicing Agreement**"), the Servicer has agreed to administer and service the Mortgage Receivables, on behalf of the OBG Guarantor. The appointment to the Servicer is not a mandate *in rem propriam* and, therefore, the OBG Guarantor is entitled to revoke or terminate the same in accordance with the provisions set forth in the Servicing Agreement.

As consideration for the activity performed and reimbursement of expenses, the Servicing Agreement provides that the Servicer will receive certain fees payable by the OBG Guarantor on each Guarantor Payment Date in accordance with the applicable Priority of Payments.

Servicer's activities

In the context of the appointment, the Servicer has undertaken to perform, with its best diligence and highest ethical standards, *inter alia*, the activities specified below:

(i) administration, management and collection of the Mortgage Receivables in accordance with the Collection Policies; management and administration of enforcement proceedings and insolvency proceedings;

(ii) to perform certain activities with reference to the data processing pursuant to Legislative Decree no. 196 of 30 June 2003 (the "**Privacy Law**");

(iii) to keep and maintain updated and safe the documents relating to the transfer of the Mortgage Receivables from the Seller to the OBG Guarantor; to consent to the OBG Guarantor and the Representative of the OBG Holders to examine and inspect the Documents and to draw copies; and

(iv) upon the occurrence of an Issuer Events of Default, the Servicer may or, in certain case, must, in the name and on behalf of the OBG Guarantor, in accordance with the terms and conditions set forth in the Portfolio Administration Agreement, selling or offer to sell to third parties one or more Assets.

The Servicer is entitled to delegate the performance of certain activities to third parties, except for the supervisory activities in accordance with Bank of Italy Regulations of 5 August 1996, No. 216, as amended and supplemented. 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 OBG 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 reports to the OBG Guarantor, the Administrative Services Provider, the Representative of the OBG Holders and the Calculation

Agent, in the form set out in the Servicing Agreement, containing information about the Collections made in respect of the Portfolio during the preceding Collection Period. The reports will provide the main information relating to the Servicer's activity during the period, including without limitation: a description of the Portfolio (outstanding amount, principal and interest), information relating to delinquencies, defaults and collections during the Collection Period.

On an annual basis, an audit firm agreed with between the parties will be instructed to issue an audit report on the activities (including monitoring activities) performed by the Servicer throughout the last year.

Successor Servicer

According to the Servicing Agreement, upon the occurrence of a termination or withdrawal event, the OBG Guarantor shall have the right to withdraw the appointment of the Servicer and, subject to the approval in writing of the Representative of the OBG Holders, to appoint a different entity (the "**Successor Servicer**"). The Successor Servicer shall undertake to carry out the activity of administration, management and collection of the Mortgage Receivables, as well as all other activities provided for in the Servicing Agreement by entering into a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

The OBG Guarantor may terminate the Servicer's appointment and appoint a Successor Servicer following the occurrence of any of the termination event (each a "**Servicer Termination Event**"). The Servicer Termination Events include:

(i) failure to transfer, deposit or pay any amount due by the Servicer within 10 Business Days from the date on which such amount has been required to be transferred, paid or deposited;

(ii) failure to observe or perform duties under specified clauses of the Servicing Agreement and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the OBG Guarantor;

(iii) an insolvency, liquidation or winding up event occurs with respect to the Servicer;

(iv) failure to observe or perform duties under the Transaction Documents and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the OBG Guarantor where such breach prejudiced the reliance of the OBG Guarantor on the Servicer;

(v) amendments of the functions and services involved in the management of the Mortgage Receivables and in the recovery and collection procedures, if such amendments may individually or jointly, prevent the Servicer from fulfilling the obligations assumed under the Servicing Agreement; and

(vi) inability of the Servicer to meet the legal requirements and the Bank of Italy's regulations for entities acting as servicer.

Governing Law

The Servicing Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Administrative Services Agreement

Pursuant to an administrative services agreement entered into on 13 January 2012, as amended from time to time, (the "**Administrative Services Agreement**"), between the Administrative Services Provider and the OBG Guarantor, the Administrative Services Provider has agreed to provide the OBG Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers.

Governing Law

The Administrative Services Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Intercreditor Agreement

Pursuant to an intercreditor agreement entered into on 19 January 2012, as amended from time to time, (the "**Intercreditor Agreement**") among, *inter alia*, the OBG Guarantor, the Representative of the OBG Holders (in its own capacity and as legal representative of the Organisation of the OBG Holders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Administrative Services Provider, the Account Bank, the Paying Agent, the Cash Manager, the Asset Monitor and the Calculation Agent, the parties agreed that all the Available Funds of the OBG Guarantor will be applied in or towards satisfaction of the OBG Guarantor's payment obligations towards the OBG Holders as well as the other Secured Creditors, in accordance with the relevant Priority of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the OBG Holders will, subject to a Guarantor Events of Default having occurred and the service of a Guarantor Acceleration Notice, ensure that all the Available Funds are applied in or towards satisfaction of the OBG Guarantor's payment obligations towards the OBG Holders as well as the other Secured Creditors, in accordance with the Post-Guarantor Default Priority of Payments provided in the Intercreditor Agreement.

The obligations owed by the OBG Guarantor to each of the OBG Holders and each of the other Secured Creditors will be limited recourse obligations of the OBG Guarantor. The OBG Holders and the other Secured Creditors will have a claim against the OBG 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.

The OBG Guarantor has granted a general irrevocable mandate to the Representative of the OBG Holders, in the interest of the OBG Holders and the other Secured Creditors, to act in the name and on behalf of the OBG Guarantor on the terms and conditions specified in the Intercreditor Agreement, in exercising the rights of the OBG Guarantor under the Transaction Documents to which it is a party, other than the rights related to the collection and recovery of the Mortgage Receivables and to cash and payment services (save, in this respect, as provided otherwise therein).

Governing Law

The Intercreditor Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Cash Management and Agency Agreement

Pursuant to a cash management and agency agreement entered into on 19 January 2012, as amended from time to time, between, *inter alia*, the OBG Guarantor, the Cash Manager, the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the "**Cash Management and Agency Agreement**"):

(i) the Account Bank has agreed to establish and maintain the Collection Accounts, the Reserve Account and the Expenses Account and to provide, *inter alia*, the OBG Guarantor, prior to each Calculation Date, with a report together with account handling services in relation to moneys from time to time standing to the credit of the accounts above mentioned;

(ii) the Cash Manager will provide, *inter alia*, the OBG Guarantor, on or prior to each Calculation Date, with a report together with certain cash management services in relation to moneys standing to the credit of the Accounts;

(iii) the Calculation Agent (with the cooperation of the Additional Calculation Agent) will provide, *inter alia*, the OBG Guarantor: (i) with a payments report (the "**Payments Report**") which will set out the Available Funds and the payments to be made on the following OBG Payment Date and (ii) with an investors report (the "**Investors Report**") which will set out certain information with respect to the Portfolio and the OBG;

(iv) the Additional Calculation Agent will cooperate with the Calculation Agent in preparing: (i) each Payments Report and (ii) each Investors Report; and

(v) the Paying Agent will provide the Issuer and the OBG Guarantor with certain payment services in respect of the OBG and has agreed to establish and maintain the Payment Account, the Eligible Investments Account and the Securities Account. Following the delivery of a Notice to pay or a Guarantor Acceleration Notice, the Paying Agent shall make payments of principal and interest in respect of the Guaranteed Amounts on behalf of the OBG Guarantor upon being so instructed.

Upon the occurrence of certain events with the reference to the Account Bank, the Cash Manager, the Calculation Agent or the Paying Agent, including:

(i) the default to perform their own duties and obligations under the Cash Management and Agency Agreement;

(ii) the cessation or threatens to cease to carry on their business or a substantial part of their business or stop payment or threatens to stop payment of their debts; and

(iii) the inability to perform their obligations under such agreement for a period of sixty days by circumstances beyond its reasonable control;

either the Representative of the OBG Holders or the OBG Guarantor, provided that (in the case of the OBG Guarantor) the Representative of the OBG Holders consents in writing to such termination, may terminate the appointment of the relevant Agent under the terms of the Cash Management and Agency Agreement. Notwithstanding the above, none of the Agents shall be released from its respective obligations under the Cash Management and Agency Agreement until the relevant substitute has been appointed by the Representative of the OBG Holders and/or the OBG Guarantor and has accepted the Deed of Pledge and has entered into the Intercreditor Agreement, the Master Definitions Agreement and an agreement on the same terms *mutatis mutandis* as 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, are governed by Italian law.

Portfolio Administration Agreement

Pursuant to a portfolio administration agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the UniCredit (as Issuer and Seller), the Asset Monitor, the Representative of the OBG Holders and the Calculation Agent (the "**Portfolio Administration Agreement**"), the UniCredit (as Issuer and Seller) and the OBG Guarantor have undertaken certain obligations for the replenishment of the Portfolio in order to cure a breach of the Mandatory Tests or the Over-Collateralisation Test and the purchase and sale by the OBG Guarantor of the assets included in Portfolios.

Pursuant to the terms and conditions of the Portfolio Administration Agreement, the Calculation Agent has agreed to verify the compliance of the Mandatory Tests and the Over-Collateralisation Test and, in the event of a breach, to immediately notify in writing the Representative of the OBG Holders, the Issuer, the Seller, any Additional Seller (if any), the Asset Monitor and OBG Guarantor of such breach. Respectively on each Calculation Date, moreover, the Calculation Agent shall deliver an asset cover report including the relevant calculations in respect of the Mandatory Tests and the Over Collateralisation Test to the Issuer, the Seller, any Additional Seller (if any), the Representative of the OBG Holders and the Asset Monitor.

Following the delivery of a Notice to Pay (and prior to the occurrence of any Guarantor Events of Default), the OBG Guarantor shall (if necessary in order to effect timely payments under the OBG as originally scheduled in the relevant Final Terms, as determined by the Calculation Agent in consultation with the Portfolio Manager), direct the Servicer or the Successor Servicer (if any) to sell Selected Assets all or part of the Portfolio in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of the Seller and any Additional Seller (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and invested in accordance with the terms of the Cash Management and Agency Agreement.

For so long as there are OBG outstanding, following service of a Notice to Pay (but prior to the occurrence of a Guarantor Event of Default) UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall procure to verify on a continuing basis, and on each Calculation Date, the compliance of the Amortisation Test. If the Amortisation Test is breached a Guarantor Event of Default shall occur.

Following the delivery of a Guarantor Acceleration Notice, the Representative of the OBG Holders shall, in the name and on behalf of the OBG Guarantor, direct the Servicer or the Successor Servicer (if any) to sell Selected Assets in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of UniCredit (as Seller and Issuer) or any Additional Servicer (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and applied in accordance with the relevant Priority of Payments.

If the OBG Guarantor is required to sell Selected Assets following the occurrence of a Guarantor Event of Default, the Representative of the OBG Holders shall (i) in the name and on behalf of the OBG Guarantor (so authorised by means of the execution of the Portfolio Administration Agreement) instruct the Servicer or Successor Servicer (if any) to sell a portfolio of Selected Assets in respect of all the Series of OBG and (ii) instruct the Portfolio Manager to use all reasonable endeavours to procure that Selected Assets are sold as quickly as reasonably practicable taking into account the market conditions at that time.

Governing Law

The Portfolio Administration Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Asset Monitor Agreement

Pursuant to an asset monitor agreement entered into on 19 January 2012, as amended from time to time, among, *inter alios*, the Asset Monitor, the OBG Guarantor, the Calculation Agent, the Issuer, the Seller and the Representative of the OBG Holders (the "**Asset Monitor Agreement**"), the Asset Monitor will perform certain tests and procedures and carry out certain monitoring and reporting services with respect to the Issuer and the OBG Guarantor.

Pursuant to the Asset Monitor Agreement, the Asset Monitor has agreed to the Issuer and, upon delivery of a Notice to Pay, to the OBG Guarantor, subject to due receipt of the information to be provided by the Calculation Agent, to conduct independent tests in respect of the calculations performed by the Calculation Agent for the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test, as applicable with a view to verifying the compliance by the OBG Guarantor with such tests.

The Asset Monitor will be required to conduct such tests no later than the relevant Asset Monitor Report Date (as defined under the Asset Monitor Agreement). On each Asset Monitor Report Date, the Asset Monitor shall deliver to the OBG Guarantor, the Calculation Agent, the Representative of the OBG Holders and the Issuer a report substantially in the form set forth under the Asset Monitor Agreement.

Other than in relation to the verification of the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test, the Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it under this Agreement is true and correct and is complete and not misleading. The results of the tests conducted by the Asset Monitor will be delivered to the Cash Manager, the OBG Guarantor, the Issuer and the Representative of the OBG Holders.

In the Asset Monitor Agreement, the Asset Monitor has acknowledged to perform its services also for the benefit and in the interests of the OBG Guarantor (to the extent it will carry out the services under the appointment of the Issuer) and the OBG Holders and accepted that upon delivery of a Notice to Pay, it will receive instructions from, provide its services to, and be liable *vis-à-vis* the OBG Guarantor or the Representative of the OBG Holders on its behalf.

The OBG Guarantor will pay to the Asset Monitor a fee per test for the tests to be performed by the Asset Monitor in the amount set out in the Asset Monitor Agreement from time to time.

The Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor may, subject to the prior written consent of the Representative of the OBG Holders, revoke the appointment of the Asset Monitor by giving not less than three months or earlier, in the event of a breach of warranties and covenants, written notice to the Asset Monitor (with a copy to the Representative of the OBG Holders). If termination of the appointment of the Asset Monitor would otherwise take effect less than 30 days before or after any Calculation Date immediately after which an Asset Monitor Report shall be delivered, then such termination shall not take effect until the tenth day following such Calculation Date. In any case, no revocation of the appointment of the Asset Monitor shall take effect until a successor, approved by the Representative of the OBG Holders, has been duly appointed.

The Asset Monitor may, at any time, resign by giving not less than two months prior written notice of termination to the Issuer, the OBG Guarantor and the Representative of the OBG Holders, provided that such resignation will not take effect unless and until, *inter alia*: (i) a substitute Asset Monitor being appointed by the Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor, with the prior written approval of the Representative of the OBG Holders, on substantially the same terms as those set out in this Agreement; and (ii) the Asset Monitor being not released from its obligations under the Asset Monitor Agreement until a substitute Asset Monitor has entered into such new agreement and it has become a party to the Intercreditor Agreement.

Governing Law

The Asset Monitor Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Quotaholders' Agreement

Pursuant to a quotaholders' agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Seller, SVM and the Representative of the

OBG Holders (the "**Quotaholders' Agreement**") the parties have undertaken certain provisions in relation to the management of the OBG Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM granted a call option in favour of the Seller to purchase from SVM and the Seller granted a put option in favour of SVM to sell to the Seller the quota of the OBG Guarantor quota capital held by SVM.

Governing Law

The Quotaholders' Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Dealer Agreement

Pursuant to a dealer agreement entered into on 19 January 2012 between the Issuer, the Seller, the OBG Guarantor, the Representative of OBG Holders and the Dealers (the "**Dealer Agreement**"), the parties have agreed certain arrangements under which the OBG may be issued and sold, from time to time, by the Issuer to any one or more of the Dealers.

The Issuer 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.

The Dealer Agreement contains provisions relating to the resignation or termination of appointment of existing Dealers and for the appointment of additional or other dealers acceding as new dealer: (i) generally in respect of the Programme or (ii) in relation to a particular issue of OBG.

The Dealer Agreement contains stabilisation provisions.

Pursuant to the Dealer Agreement, the Issuer, the OBG Guarantor and the Seller gave certain representations and warranties to the Dealers in relation to, *inter alia*, theirselves and the information given respectively by each of them in connection with this Prospectus.

Governing Law

The Dealer Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Subscription Agreement

The Dealer Agreement also contains the *pro forma* of the Subscription Agreement to be entered into in relation to each issue of OBG issued on a syndicated basis.

On or prior to the relevant Issue Date, the Issuer, 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 OBG, 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 OBG Holders.

A simplified procedure is provided for the issuance of OBG on a non-syndicated basis.

Governing Law

The Subscription Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Deed of Pledge

Pursuant to a deed of pledge entered into on 19 January 2012 between the OBG Guarantor, the Representative of the OBG Holders and the other Secured Creditors (the "**Deed of Pledge**"), which the OBG Guarantor pledged in favour of the OBG Holders and the Secured Creditors all the monetary claims and rights and all the amounts payable from time to time (including payment for Mortgage Receivables, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled pursuant or in relation to the Transaction Documents (other than the Deed of Pledge and the Conditions), including the monetary claims and rights relating to the amounts standing to the credit of the Accounts and any other account established by the OBG Guarantor in accordance with the provisions of the Transaction Documents.

Governing Law

The Deed Pledge, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Master Definition Agreement

Pursuant to a master definition agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor and the other parties to the Transaction Documents (the "**Master Definition Agreement**"), the definitions of certain terms used in the Transaction Documents have been agreed.

Governing Law

The Master Definition Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian 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 Prospectus and of which prospective OBG Holders should be aware. It is not intended to be exhaustive and prospective OBG Holders should also read the detailed information set out elsewhere in this Prospectus.

Law 130 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 Law 130, in view of allowing Italian banks to use the securitisation techniques introduced by Law 130 in view of issuing covered bonds (*obbligazioni bancarie garantite*).

Pursuant to Article *7-bis,* certain provisions of Law 130 apply to transactions involving the true sale (by way of non-gratuitous assignment) of receivables meeting certain eligibility criteria set out in Article *7-bis* and in the Decree of the Ministry of Economy and Finance No. 310 of 14 December 2006 (the "**MEF Decree**"), where the sale is to a special purpose vehicle created in accordance with Article *7-bis* and all amounts paid by the debtors are to be used by the relevant special purpose company 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 (the "**OBG Guarantee**").

Pursuant to Article *7-bis,* 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. The payment obligations of the special purpose company under such loan shall be subordinated to the payment obligations of the special purpose company *vis-à-vis* the OBG holders, 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 OBG Regulations, the covered bonds may be issued 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.

Eligibility criteria of the claims and limits to the assignment of claims

Under the MEF Decree, the following assets, *inter alia,* may be assigned to the special purpose vehicle, together with any ancillary contracts aimed at hedging the financial risks embedded in the relevant assets: (a) Italian residential mortgage loans (*mutui ipotecari residenziali*) pursuant to Article 2, paragraph 1, lett. (a) of the MEF Decree; (b) loans extended to, or guaranteed by, the following entities, and securities issued or guaranteed by the same entities: (i) public administrations of States comprised in the European Economic

Space and the Swiss Confederation (the "**Admitted States**"), including therein any Ministries, municipalities (*enti pubblici territoriali*), national or local entities and other public bodies, which attract a risk weighting factor not exceeding 20 per cent. under the "Standardised Approach" to credit risk measurement; (ii) public administrations of States other than Admitted States which attract a risk weighting factor equal to zero per cent. under the "Standardised Approach" to credit risk measurement, municipalities and national or local public bodies not carrying out economic activities (*organismi pubblici non economici*) of States other than Admitted States which attract a risk weight factor not exceeding 20 per cent. under the "Standardised Approach" to credit risk measurement. Such receivables and securities may not exceed 10 per cent. of the nominal value of the assets held by the special purpose company; and (c) asset backed securities issued in the context of securitisation transactions, meeting the following criteria: (i) the relevant securitised receivables comprise, for an amount equal at least to 95 per cent., loans and securities referred to in (a) and (b) above; (ii) the relevant asset backed securities attract a risk weighting factor not exceeding 20 per cent. under the "Standardised Approach" to credit risk measurement.

For the purpose above, the relevant provisions define a guarantee "valid for purposes for the credit risk mitigation" as a guarantee eligible for the "credit risk mitigation", in accordance with Directive 2006/48/EC of 14 June 2006 (the "**Restated Banking Directive**"). Similarly, the "Standardised Approach" shall be the standardised approach to credit risk measurement as defined by the Restated Banking Directive.

The BoI OBG Regulations provides that covered bonds may be issued by banks which satisfy, on a consolidated basis, the following requirements:

(i) surveillance capital (*patrimonio di vigilanza*) at least equal to €500,000,000; and

(ii) overall capital ratio (*coefficiente patrimoniale complessivo*) at least equal to 9 per cent.

The BoI OBG Regulations set out certain limits to the possibility for banks to assign eligible assets, which are based on the level of the consolidated solvency ratio (the "**CSR**") and the "tier 1 ratio" (the "**T1R**"), in accordance with the following grid, contained in the BoI OBG Regulations:

Capital adequacy condition		**Limits to the assignment**
Group "A"	CSR > 11 per cent. and T1R > 7 per cent.	No limits
Group "B"	CSR > 10 per cent. and < 11 per cent. and T1R>6.5 per cent.	Assignment allowed up to 60 per cent. of the eligible assets
Group "C"	CSR > 9 per cent. and < 10 per cent. and T1R>6 per cent.	Assignment allowed up to 25 per cent. of the eligible assets

The relevant CSR and T1R set out in the grid relate to the aggregate of the covered bonds transactions launched by the relevant banking group.

The Limits to the Assignment do not apply to Integration (as defined below) of the portfolio, provided that Integration is allowed exclusively within the limits set out by the BoI OBG Regulations.

Ring Fencing of the Assets

Under the terms of Article 3 of Law 130, the assets relating to each transaction will by operation of law be segregated for all purposes from all other assets of the special purpose vehicle which purchases the receivables. 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.

However, under Italian law, any other creditor of the special purpose vehicle would be able to commence insolvency or winding-up proceedings against the company in respect of any unpaid debt.

The Assignment

The assignment of the receivables under Law 130 will be governed by Article 58 paragraphs 2, 3 and 4, of the Legislative Decree No. 385 of 1 September 1993 (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 company 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**"); 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-*bis,* para. 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, 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, 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, pursuant to which the provisions of Article 67 relating to the claw-back of for-consideration transactions, payments and guarantees do not apply to certain transactions.

Tests set out in the MEF Decree

Pursuant to Article 3 of the MEF Decree, 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 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 company, 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 company, 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.

For the purpose of ensuring compliance with the tests described above and pursuant to Article 2 of the MEF Decree, the following assets (the "**Integration Assets**") may be used for the purpose of integration of the portfolio, in addition to eligible assets pursuant to the OBG Regulations:

(i) the establishment of deposits with banks incorporated in Admitted States or in a State which attract a risk weight factor equal to 0 per cent. under the "Standardised Approach" to credit risk measurement; and

(ii) the assignment of securities issued by the banks referred to under paragraph (i) above, having a residual maturity not exceeding one year.

Integration Assets

Integration through Integration Assets shall be allowed within the Limit to the Integration.

In addition, pursuant to Article 7-*bis* and the MEF Decree, integration of the cover pool – whether through eligible assets pursuant to the OBG Regulations or through integration assets – (the "**Integration**") shall be carried out in accordance with the methods, and subject to the limits, set out in the BoI OBG Regulations.

More specifically, under the BoI OBG Regulations, the Integration is allowed exclusively for the purpose of: (a) complying with the tests provided for by the MEF Decree; (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements; or (c) complying with the 15 per cent. maximum amount of Integration Assets within the portfolio.

The Integration is not allowed in circumstances other than as set out in the BoI OBG Regulations.

The features of the OBG Guarantee

According to Article 4 of the MEF Decree the OBG Guarantee shall be limited recourse to the cover pool, irrevocable, first-demand, unconditional and autonomous from the obligations assumed by the issuer of the covered bonds. Accordingly, such obligations shall be a direct, unconditional, unsubordinated obligation of the special purpose vehicle, limited recourse to the special purpose vehicle's available funds, irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the issuer of the covered bonds.

In order to ensure the autonomous nature of the OBG Guarantee, Article 4 of the MEF Decree provides that the following provisions of the Italian Civil Code, generally applicable to personal guarantees (*fideiussioni*), shall not apply to the OBG Guarantee (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 OBG Guarantor following a liquidation of the Issuer

The MEF Decree set out also certain principles which are aimed at ensuring that the payment obligations of the special purpose vehicle are isolated from those of the issuer of the OBG. To that effect it requires that the OBG 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 4 of the MEF Decree provides that in case of breach by the issuer of its obligations *vis-à-vis* the covered bonds holders, 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 subjected to mandatory liquidation procedures (*liquidazione coatta amministrativa*).

In addition, the acceleration (*decadenza dal beneficio del termine*) provided for by Article 1186 of the Civil Code and affecting the issuer shall not affect the payment obligations of the special purpose vehicle under the OBG Guarantee. Pursuant to Article 4 of the MEF Decree, the limitation in the application of Article 1186 of the 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 4, paragraph. 3, of the MEF Decree, in case of *liquidazione coatta amministrativa* of the issuer, the special purpose vehicle shall exercise the rights of the covered bonds holders *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.

The Bank of Italy shall supervise on the compliance with the aforesaid provisions, within the limits of the powers vested with the Bank of Italy by the Banking Law.

Controls over the transaction

The BoI OBG Regulations lay down rules on controls over transactions involving the issuance of OBG.

Inter alia, the resolutions of the selling banks approving the assignment of portfolios to the special purpose vehicle are passed in relation to each transfer of assets on the basis of appraisal reports on the assets prepared by an auditing firm. Such report are not required where the assignment is carried out at the book values set out in the most recent approved financial statements of the selling bank, or in its most recent six month report (*situazione patrimoniale semestrale*).

The management body of the issuing bank must ensure that the structures delegated to the risk management verify at least every six months and for each transaction, *inter alia*:

(i) the quality and integrity of the assets sold to the SPV securing the obligations undertaken by the latter;

(ii) compliance with the maximum ratio between covered bonds issued and the cover pool sold to the SPV for purposes of backing the issue, in accordance with the MEF Decree;

(iii) compliance with the Limits to the Assignment and the on, and Limits to the Integration set out by the BoI OBG Regulations;

(iv) the effectiveness and adequacy of the coverage of risks provided under derivative agreements entered into in connection with the transaction.

The bodies with management responsibilities of issuing banks and banking groups ensure that an assessment is carried out on the legal aspects of the activity on the basis of specially issued legal reports 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 Bonds Guarantee.

The BoI OBG Regulations also contain certain provisions on the asset monitor, who is delegated to carry out controls over the regularity of the transaction (*regolarità dell'operazione*) and the integrity of the Covered Bonds Guarantee (*integrità della garanzia*) (the "**Asset Monitor**"). Pursuant to the BoI OBG Regulations the Asset Monitor shall be an auditing firm having adequate professional experience in relation to the tasks entrusted with the same and independent from (a) the audit firm entrusted with the auditing of the issuing bank, (b) the issuing bank and (c) the other entities taking part to the transaction.

The Asset Monitor shall prepare annual reports on controls and assessments on the performance of transactions, to be addressed, *inter alia*, to the body entrusted with control functions of the bank which appointed the Asset Monitor. The BoI OBG Regulations refer to the provisions (art. 52 and 61, paragraph 5, of the Banking Law), which impose on persons responsible for conducting controls specific obligations to report to the Bank of Italy. Such

reference appears to be aimed at ensuring that irregularities found are reported to the Bank of Italy pursuant to Article 52, paragraph 2, of the Banking Law.

In order to ensure that the special purpose vehicle can perform, in an orderly and timely manner, the obligations arising under the OBG Guarantee, the issuing banks shall use asset and liability management techniques for purposes of ensuring, including by way of specific controls at least every six months, that the payment dates of the cash-flows generated by the cover pool match the payments dates with respect to payments due by the issuing bank under the covered bonds issued and other transaction costs.

Finally, in relation to the information flows, the parties to the covered bonds transactions shall assume contractual undertakings allowing the issuing and the assigning bank also acting as servicer (and any third party servicer, if appointed) to hold the information on the cover pool which are necessary to carry out the controls described in the BoI OBG 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*).

Insolvency proceedings

Insolvency proceedings (*procedure concorsuali*) conducted under Italian law may take the form of, *inter alia*, a forced liquidation (*fallimento*) or creditors' agreements (*concordato preventivo* and *accordi di ristrutturazione dei debiti*) or a restructuring under a court supervised administration (*amministrazione controllata*). Insolvency proceedings are only applicable to businesses (*imprese*) either run by companies, partnerships or by individuals. An individual who is not a sole entrepreneur or an unlimited partner in a partnership is not subject to insolvency.

A debtor can be declared bankrupt (*fallito*) and subject to *fallimento* (at its own initiative, or at the initiative of any of its creditors or the public prosecutor) if it is not able to fulfil its obligations in a timely manner. The debtor loses control over all its assets and of the management of its business, which is taken over by a court appointed receiver (*curatore fallimentare*). Once judgment has been made by the court and the creditors' claims have been approved, the sale of the debtor's property is conducted in accordance with a liquidation plan (approved by the delegated judge and the creditors' committee) which may provide for the dismissal of the whole business or single business units, even through competitive procedures.

A qualifying insolvent debtor may avoid being subject to *fallimento* by proposing to its creditors a creditors' agreement (*concordato preventivo*). Such proposal must contain, *inter alia*: (i) an updated statement of the financial and economic situation of the insolvent company (ii) a detailed list of the creditors and their respective credit rights and related security interest and (iii) a detailed evaluation of the assets of the insolvent company. The offer may be structured as an offer to transfer all of the assets of the insolvent debtor to the creditors or an offer to undertake other restructuring plan such as, *inter alia*, the allocation to the creditors of shares, quotas, and other debt instruments of the company. The feasibility of the proposal must be accompanied by an expert's report. An entrepreneur may also execute

with the creditors representing almost the 60 per cent. of the credits a settlement providing for debt rescheduling (*accordo di ristrutturazione dei debiti*). A report of an expert certifying the feasibility of the settlement shall be attached to the latter and the settlement shall be approved by the Court.

After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically stayed.

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 bylaws 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 Law, the procedure is initiated by decree of the Minister of economy and finance, acting on a proposal by the Bank of Italy, which shall terminate the board of directors and the board of statutory auditors of the bank. Subsequently the Bank of Italy shall appoint (a) one or more special administrator (*commissari straordinari*); (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*). The *commissari straordinari* are 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* shall last for one year from the date of issue of the decree of the Minister of the economy and finance. In exceptional cases, the procedure may be extended for a period of up to six months. The Bank of Italy may extend the duration of the procedure for periods of up to two months, in connection with the acts and formalities related to the termination of the procedure, provided that the relevant acts to be executed have already been approved by the Bank of Italy.

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, then the bank may be subject to such procedure.

Description of *Liquidazione Coatta Amministrativa delle Banche*

According to the Banking Law, 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 the compulsory winding up (*liquidazione coatta amministrativa*).

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*); (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 third 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 (i) assist the *commissari liquidatori* in exercising their functions, (ii) control the activities carried out by *commissari liquidatori*; and (iii) 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 Law 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 Bankruptcy Law 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 OBG

*The following is the text of the terms and conditions of the OBG (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "holder" of OBG and to the "OBG Holders" are to the ultimate owners of the OBG. The OBG will be held by Monte Titoli (as defined below) on behalf of the OBG Holders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The OBG will at all times be in book entry form and title to the bonds will be evidenced by book entries with Monte Titoli in accordance with the provisions of (i) the Financial Services Act and (ii) the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as subsequently amended and supplemented from time to time.*

In addition, the relevant Final Terms in relation to any Series or Tranche of OBG may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of such Series or Tranche.

Any reference to the Conditions or a Condition shall be a reference to the Conditions as the context may require. Any reference to the OBG Holders shall be referred to the holders of the OBG.

Any reference to the OBG will be construed as to including the OBG issued under the Conditions.

1 Introduction

(a) *Programme*

Unicredit S.p.A. (the "**Issuer**") has established an OBG Programme (the "**Programme**") for the issuance of up to €25,000,000,000 in aggregate principal amount of *obbligazioni bancarie garantite* (the "**OBG**") guaranteed by UniCredit OBG S.r.l. (the "**OBG Guarantor**"). OBG are issued pursuant to Article 7-*bis* of Law No. 130 of 30 April 1999 (as amended, the "**Law 130**"), Decree of the Ministry for the Economy and Finance of 14 December 2006 No. 310 ("**MEF Decree**") and the supervisory instructions of the Bank of Italy set out in Title V, Chapter 3 of the "Nuove Disposizioni di Vigilanza Prudenziale per le Banche" (Circolare No. 263 of 27 December 2006), as amended and supplemented from time to time (the "**BoI OBG Regulations**").

(b) *Final Terms*

OBG 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 OBG. The Tranches are the subject of final terms (the "**Final Terms**") which supplement these terms and conditions (the "**Conditions**"). The terms and conditions applicable to

any particular Tranche or more Tranches of OBG are these Conditions as supplemented, amended and/or replaced 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. References to the "**relevant Final Terms**" are to the Final Terms (or the relevant provisions thereof) pursuant to which the relevant Tranches are issued.

(c) *OBG Guarantee*

Each Series of OBG is the subject of a guarantee dated on or about the Initial Issue Date (the "**OBG Guarantee**") entered into by the OBG Guarantor for the purpose of guaranteeing the payments due from the Issuer in respect of the OBG of all Series issued under the Programme. The OBG Guarantee will be collateralised by a portfolio constituted by certain assets assigned from time to time to the OBG Guarantor pursuant to the Master Transfer Agreement (as defined below) and in accordance with the provisions of the Law 130, the MEF Decree and the BoI OBG Regulations. The payment obligations of the OBG Guarantor under the OBG Guarantee are secured over certain assets of the OBG Guarantor pursuant to the Deed of Pledge.

(d) *Dealer Agreement and Subscription Agreement*

In respect of each Tranche of OBG issued under the Programme, the Relevant Dealer(s) (as defined below) has or have agreed to subscribe for the OBG and pay the Issuer the Issue Price for the OBG on the Issue Date under the terms of a Dealer Agreement dated on or about the Initial Issue Date (the "**Dealer Agreement**") between the Issuer, the OBG Guarantor and the dealer(s) named therein (the "**Dealers**"), as supplemented (if applicable) by a subscription agreement entered into between the Issuer, the OBG Guarantor and the Relevant Dealer(s) (as defined below) on or around the date of the relevant Final Terms (the "**Subscription Agreement**"). In the Dealer Agreement or such other document as may be agreed between the Issuer, the OBG Guarantor and the Relevant Dealer(s), the Relevant Dealer(s) has or have appointed Securitisation Services S.p.A. as representative of the OBG Holders (in such capacity, the "**Representative of the OBG Holders**"), as described in Condition 13 (*Representative of the OBG Holders*).

(e) *Master Definitions Agreement*

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

(f) *The OBG*

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

(g) *Rules of the Organisation of OBG Holders*

The Rules of the Organisation of OBG Holders are attached to, and form an integral part of, these Conditions. References in these Conditions to the "**Rules of the Organisation of the OBG Holders**" 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. The OBG Holders are deemed to have notice of and are bound by and shall have the benefit of, *inter alia*, the terms of the Rules of the Organisation of the OBG Holders. The rights and powers of the Representative of the OBG Holders and the OBG Holders may be exercised in accordance with these Conditions and the Rules of the Organisation of the OBG Holders.

(h) *Summaries*

Certain provisions of these Conditions are summaries of the Transaction Documents (as defined below) and are subject to their detailed provisions. OBG Holders 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. Copies of the Transaction Documents are available for inspection by OBG Holders during normal business hours at the registered office of the Representative of the OBG Holders from time to time and, where applicable, at the Specified Offices of the Luxembourg Listing Agent and the Representative of the OBG Holders.

2 Interpretation

(a) Definitions

In these Conditions the following expressions have the following meanings:

"**Account Bank**" means UniCredit S.p.A., and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

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

"**Additional Calculation Agent**" means Capital and Funding Solutions S.r.l., acting as such pursuant to the Cash Management and Agency Agreement;

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

"**Administrative Service Provider**" means UniCredit Credit Management Bank S.p.A., having its registered office at Piazzetta Monte 1, Verona, Italy, in its capacity as servicer under the Administrative Services Agreement;

"**Administrative Services Agreement**" means an administrative services agreement dated on or about 13 January 2012 between UniCredit Credit Management Bank S.p.A. as corporate servicer and the OBG Guarantor;

"**Amortisation Test**" means such test provided for under the Portfolio Administration Agreement;

"**Asset Monitor**" means Mazars S.p.A., acting as such pursuant to the Asset Monitor Agreement;

"**Asset Monitor Agreement**" means the Asset Monitor Agreement entered into on or about the Initial Issue Date between, *inter alios*, the Asset Monitor and the Issuer;

"**Asset Monitor Report**" means the results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Agreement to be delivered in accordance therewith;

"**Banking Law**" means Legislative Decree No. 385 of 1 September 1993, as amended;

"**Business Day**" means a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given 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) "**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

(iii) "**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;

(iv) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means UniCredit Bank AG, acting as such pursuant to the Cash Management and Agency Agreement and the Portfolio Administration Agreement;

"**Calculation Amount**" has the meaning given 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 between, *inter alios*, the OBG Guarantor, the Cash Manager, the Account Bank, the Servicer, the Administrative Servicer Provider, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent and the Paying Agent;

"**Cash Manager**" means UniCredit S.p.A. acting as such pursuant to the Cash Management and Agency Agreement;

"**Clearstream**" means Clearstream Banking, *société anonyme*, Luxembourg;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any OBG for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an OBG Interest Period, the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation

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

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the 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 Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the 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 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 so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the 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 Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

"**Deed of Pledge**" means the Italian law deed of pledge dated on or about the Initial Issue Date between the OBG Guarantor, the Representative of the OBG Holders and the Secured Creditors;

"**Early Redemption Amount**" means, in respect of any Series of OBG, 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 Amount (Tax)**" means, in respect of any Series of OBG, 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 OBG is to be redeemed pursuant to Condition 8(c) (*Redemption for tax reasons*);

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

"**Extension Determination Date**" means the date falling 4 Business Days prior to the Maturity Date;

"**Extended Maturity Date**" means, in relation to any Series of OBG, the date if any specified as such in the relevant Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred pursuant to Condition 8(b) (*Extension of maturity*), which cannot fall more than 12 months after the relevant Maturity Date;

"**Extendable Maturity**" has the meaning given to such expression under Condition 8(b) (*Extension of maturity*);

"**Extraordinary Resolution**" has the meaning given in the Rules of the Organisation of OBG Holders attached to these Conditions;

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

"**First Series**" means the first Series of OBG issued by the Issuer under the Programme;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Guaranteed Amounts**" means, (i) prior to the service of a Guarantor Acceleration Notice, with respect to any Guarantor Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Guarantor Payment Date and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, or (ii) after the service of a Guarantor Acceleration 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 OBG, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or the 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 timely paid by or on behalf of the Issuer to the OBG Holders to the extent it has been clawed back and recovered from the OBG Holders by the receiver or liquidator, 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 Acceleration Notice**" means the notice to be served by the Representative of the OBG Holders on the OBG Guarantor upon occurrence of a Guarantor Event of Default;

"**Guarantor Event of Default**" has the meaning given to it in Condition 11(d) (*Guarantor Events of Default*);

"**Guarantor Payment Date**" means (i) before the occurrence of an Issuer Event of Default, 31 January, 30 April, 31 July and 31 October of each year, provided that the first Guarantor Payment Date will be 30 April 2012, (ii) following the occurrence of an Issuer Event of Default, the last day of each month starting from the calendar month immediately following the calendar month in which the Issuer Event of Default has occurred, subject in all instances to adjustment in accordance with the Modified Following Business Day Convention and (iii) following the occurrence of a Guarantor Event of Default, each Business Day;

"**Initial Issue Date**" means the date on which the Issuer will issue the first Series of OBG;

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

(i) such company or corporation has become subject to any applicable bankruptcy, liquidation, receivership, administration, insolvency, composition or reorganisation (including, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo, accordi di ristrutturazione* 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, 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 company or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than, in the case of the OBG Guarantor, any portfolio of assets purchased by the OBG Guarantor for the purposes of further programme of issuance of OBG), unless in the opinion of the Representative of the OBG Holders (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 company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the OBG Holders (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 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 OBG 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 company or corporation or any of the events under Article 2448 of the Italian Civil Code occurs with respect to such 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 OBG Holders); or

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

"**Intercreditor Agreement**" means the agreement entered into on or about the Initial Issue Date between, *inter alios*, the OBG Guarantor, the Representative of the OBG Holders, the Seller, the Servicer, the Issuer, the Subordinated Loan Provider, the Account Bank, the Administrative Servicer Provider, the Asset Monitor, the Cash Manager and the Paying Agent;

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

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

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

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

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Issue Price**" the issue price specified, in respect of any Tranche, in the relevant Final Terms;

"**Issuer Event of Default**" has the meaning given to it in Condition 11(a) (*Issuer Events of Default*);

"**Mandatory Tests**" means such tests provided for under the MEF Decree as set out in the Portfolio Administration Agreement;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Master Transfer Agreement**" means the master transfer agreement entered into between the OBG Guarantor and the Seller on 13 January 2012;

"**Maturity Date**" means, with reference to each Series of OBG, the OBG Payments Date, indicated in the relevant Final Terms, on which such Series or Tranche of OBG will be redeemed at their principal amount outstanding, unless otherwise extended in accordance with the Conditions;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms; "Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"**Monte Titoli**" means Monte Titoli S.p.A.;

"**Monte Titoli Account Holders**" means any authorised 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);

"**Negative Report**" means each of the report to be delivered by the Calculation Agent under the Portfolio Administration Agreement in case of breach of the Mandatory Tests, the Over-Collateralisation Test or the Amortisation Test, as the case may be;

"**Notice to Pay**" means the notice to be delivered by the Representative of the OBG Holders to the Issuer and the OBG Guarantor upon the occurrence of an Issuer Event of Default;

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

"**OBG Interest Period**" means each period beginning on (and including) an Interest Commencement Date or, in respect of any OBG Interest Period other than the first OBG Interest Period of each Series or Tranche, any OBG Payment Date and ending on (but excluding) the next OBG Payment Date, provided that the initial OBG Interest Period of the First Series or Tranche shall begin on (and include) the Initial Issue Date and end on (but exclude) the first OBG Payment Date;

"**OBG Payment Date**" means any date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms,, provided however that each OBG Payment Date must also be a Guarantor Payment Date and subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention;

"**Official Gazette**" means *Gazzetta Ufficiale della Repubblica Italiana*;

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

"**Optional Redemption Amount (Put)**" means, in respect of any Series of OBG, the principal amount of such Series 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 in the relevant Final Terms, in respect of the relevant Series of OBG;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms, in respect of the relevant Series of OBG;

"**Organisation of the OBG Holders**" means the organisation of the OBG Holders created by the issue and subscription of OBG and regulated by the Rules of the Organisation of the OBG Holders;

"**Over-Collateralisation Test**" means the test providing a minimum level of over collateralisation as defined and calculated pursuant to the Portfolio Administration Agreement;

"**Paying Agent**" means BNP Paribas Securities Services, Milan branch, acting as such pursuant to a letter of appointment entered into with the Issuer and pursuant to the Cash Management and Agency Agreement;

"**Payment Business Day**" means a day on which banks in the relevant Place of Payment are open for payment of amounts due in respect of debt securities and for dealings in foreign currencies and any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on 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 OBG Holders, the place at which such OBG Holder receives payment of interest or principal on the OBG;

"**Portfolio**" means the whole portfolio of Assets and the Integration Assets, which include the Initial Portfolio and any New Portfolio, transferred to the OBG Guarantor pursuant to the Master Transfer Agreement;

"**Portfolio Administration Agreement**" means the portfolio administration agreement dated on or about the Initial Issue Date between the Issuer, the OBG Guarantor, the Seller, the Representative of the OBG Holders, the Cash Manager, the Calculation Agent and the Asset Monitor;

"**Post-Guarantor Event of Default Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Post-Issuer Event of Default Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Pre-Issuer Event of Default Interest Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Pre-Issuer Event of Default Principal Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

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

"**Priority of Payments**" means, collectively, 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 Payment and the Post-Guarantor Event of Default Priority of Payments or any one of them as the context requires;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any OBG Holder wanting to exercise a right to redeem OBG at the option of the OBG Holder;

"**Put Option Receipt**" means a receipt issued by the Paying Agent to a depositing OBG Holder upon deposit of OBG with such Paying Agent by any OBG Holder wanting to exercise a right to redeem OBG at the option of the OBG Holder;

"**Quotaholders' Agreement**" means the agreement entered into on or about the Initial Issue Date between SVM Securitisation Vehicles Management S.r.l. (as quotaholder of the OBG Guarantor, holding 40 per cent. of the share capital) and UniCredit S.p.A. (as quotaholder of the OBG Guarantor, holding 60 per cent. of the share capital);

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

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), 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 in the relevant Final Terms or, if none, four major banks selected by the Paying Agent in the market that is most closely connected with the Reference Rate;

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

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

"**Regular Period**" means:

(i) in the case of OBG 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 OBG Payment Date and each successive period from and including one OBG Payment Date to but excluding the next OBG Payment Date;

(ii) in the case of OBG where, apart from the first OBG 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 OBG Payment Date falls; and

(iii) in the case of OBG where, apart from one OBG Interest Period other than the first OBG 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 OBG Payment Date falls other than the OBG Payment Date falling at the end of the irregular OBG Interest Period;

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

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the OBG Holders;

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

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

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

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

"**Scheduled Due for Payment Date**" means:

(a) (A) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, and (B) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor in respect of such Guaranteed Amounts and (ii) the relevant Scheduled Payment Date; or

(b) if the applicable Final Terms specified that an Extended Maturity Date is applicable to the relevant series of OBG, the OBG Payment Date that would apply if the Maturity Date of such series of OBG had been the Extended Maturity Date or such other OBG Payment Date(s) as specified in the relevant Final Terms;

"**Scheduled Interest**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal

to the amount in respect of interest which would have been due and payable under the OBG on such OBG Payment Date as specified in the Conditions falling on or after service of a Notice to Pay on the OBG Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest, which are hereinafter referred to as the "**Excluded Scheduled Interest Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on each OBG Payment Date as specified in the Conditions falling on or after the service of a Guarantor Acceleration Notice and including such Excluded Scheduled Interest Amounts (whenever the same arose), 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 under the circumstances set out in the Conditions;

"**Scheduled Payment Date**" means, in relation to payments under the OBG Guarantee, each OBG Payment Date;

"**Scheduled Principal**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on such OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties or premiums, which are hereinafter referred to as the "**Excluded Scheduled Principal Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on each OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions and including such Excluded Scheduled Principal Amounts (whenever the same arose);

"**Seller**" means UniCredit S.p.A. in its capacity as such pursuant to the Master Transfer Agreement;

"**Servicer**" means UniCredit S.p.A. in its capacity as such pursuant to the Servicing Agreement;

"**Servicing Agreement**" means the servicing agreement entered into on 13 January 2012 between the OBG Guarantor and the Servicer;

"**Specified Denomination(s)**" means €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the applicable Final Terms;

"**Specified Office**" means:

(i) in the case of the Paying Agent, Via Ansperto 5, 20123, Milan, Italy; or

(ii) in the case of the Luxembourg Listing Agent, any Calculation Agent or the Representative of the OBG Holders, the offices specified in the relevant Final Terms,

or, in each case, such other office in the same city or town as such Agent may specify by notice to the Issuer and the other parties to the Agency Agreement in the manner provided therein;

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

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into on 13 January 2012 between the Subordinated Loan Provider and the OBG Guarantor;

"**Subordinated Loan Provider**" means the Seller, in its capacity as Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"**Subsidiary**" has the meaning given to it in Article 2359 of the Italian Civil Code;

"**TARGET Settlement Day**" means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system) is open for the settlement of payments in Euro;

"**Transaction Documents**" means, in respect of each Tranche, these Conditions, the relevant Final Terms, the OBG Guarantee, the Dealer Agreement, the relevant Subscription Agreement (if any), the Master Transfer Agreement, the Warranty and Indemnity Agreement, the Subordinated Loan Agreement, the Servicing Agreement, the Cash Management and Agency Agreement, the Portfolio Administration Agreement, the Asset Monitor Agreement, the Intercreditor Agreement, the Administrative Services Agreement, the Quotaholder's Agreement, the Deed of Pledge and any document or agreement which supplement, amend or restate the content of any of the above mentioned documents and any other document designated as such by the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into between the Seller and the OBG Guarantor on 13 January 2012; and

"**Zero Coupon OBG**" means an OBG specified as such in the relevant Final Terms.

(d) *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*), any premium payable in respect of a Series of OBG 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*) 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 OBG;

(iv) any reference to a Transaction Document shall be construed as a reference to such Transaction Document, as amended and/or supplemented;

(v) any reference to a party to a Transaction Document (other than the Issuer and the OBG Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Transaction Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Tranche only; and

(vi) any reference in any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3 Form, Denomination and Title

The OBG are in the Specified Denomination(s), which may include a minimum denomination and higher integral multiples of a smaller amount, in each case as specified in the relevant Final Terms. The currency of denomination of the OBG will be the Euro. The OBG will be issued in bearer form and in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with Monte Titoli in accordance with Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-*quater* of such legislative decree. The OBG will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, and the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as amended and supplemented from time to time. The OBG will be held by Monte Titoli on behalf of the OBG Holders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. No physical documents of title will be issued in respect of the OBG. The rights and powers of the OBG Holders may only be exercised in accordance with the Rules of the Organisation of the OBG Holders.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the OBG Holders, the OBG Guarantor and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with an OBG, as the absolute owner of such OBG for the purposes of payments to be made to the holder of such OBG (whether or not the OBG is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the OBG or any notice of any previous loss or theft of the OBG) and shall not be liable for doing so.

4 Status and Guarantee

(a) *Status of the OBG*

The OBG 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 OBG Holders will be collected by the OBG Guarantor on their behalf.

(b) *Status of the OBG Guarantee*

The payment of Guaranteed Amounts in respect of each Series of OBG when due for payment will be unconditionally and irrevocably guaranteed by the OBG Guarantor in accordance with the OBG Guarantee and these Conditions. The payment obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unconditional obligations of the OBG Guarantor, recourse in respect of which is limited in the manner described in Condition 16 (*Limited Recourse and non-Petition*). The payment obligations of the OBG Guarantor under the OBG Guarantee are secured over certain assets of the OBG Guarantor pursuant to the Deed of Pledge. The OBG Holders acknowledge that the limited recourse nature of the OBG Guarantor under the OBG Guarantee produces the effects of a *contratto aleatorio* under Italian law and they accept the consequences thereof, including, but not limited to, the provisions of Article 1469 of the Italian Civil Code.

(c) *Priority of Payments*

Amounts due from the OBG Guarantor pursuant to the OBG Guarantee shall be paid in accordance with the Priority of Payments, as set out in the Intercreditor Agreement.

5 Fixed Rate Provisions

(a) *Application*

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

(b) *Accrual of interest*

The OBG bear interest on their outstanding nominal principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest payable, such interest being payable in arrear on each OBG Payment Date, subject as provided in Condition 9 (*Payments*). Each OBG will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 until whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount*

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

(d) *Calculation of interest amount*

The amount of interest payable in respect of each OBG for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such OBG divided by the Calculation Amount. For this purpose a "sub-unit" means one cent of euro.

6 Floating Rate and Index-Linked or Other Variable-Linked Interest Provisions

(a) *Application*

This Condition 6 is applicable to the OBG only if the "Floating Rate Provisions" or the "Index-Linked" or "Other Variable-Linked Interest Provisions" are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest*

The OBG bear interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each OBG Payment Date, subject as provided in Condition 9 (*Payments*). Each OBG will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 until whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination*

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

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Paying Agent will determine the Reference Rate which appears on the

Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Paying Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Paying Agent will:

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

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

(iv) if fewer than two such quotations are provided as requested, the Paying Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Paying Agent) quoted by major banks in the Principal Financial Centre of the euro, selected by the Paying Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the euro) on the first day of the relevant OBG Interest Period for loans in euro to leading European banks for a period equal to the relevant OBG 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 OBG 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 Paying Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any OBG Interest Period, the Rate of Interest applicable to the OBG during such OBG 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 OBG in respect of a preceding OBG Interest Period.

(d) *ISDA Determination*

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

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that OBG Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) *Index-Linked or Other Variable-Linked Interest*

If the Index-Linked or Other Variable- Linked Interest Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the OBG for each OBG Interest Period will be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an index or formula as specified in the relevant Final Terms.

(f) *Maximum or Minimum Rate of Interest*

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

(g) *Calculation of Interest Amount*

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

(h) *Calculation of other amounts*

If the relevant Final Terms specifies that any other amount is to be calculated by the Paying Agent, then the Paying Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Paying Agent in the manner specified in the relevant Final Terms.

(i) *Publication*

The Paying Agent shall cause each Rate of Interest and Interest Amount determined by it, together with the relevant OBG 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 Paying

Agent and each competent authority, stock exchange and/or quotation system (if any) by which the OBG have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and OBG Payment Date) in any event not later than the first day of the relevant OBG Interest Period. Notice thereof shall also promptly be given to the OBG Holders. The 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 OBG Interest Period, provided that it shall immediately notify the Paying Agent thereof. If the Paying Amount is less than the minimum Specified Denomination, the 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 OBG having the minimum Specified Denomination.

(j) *Notifications etc*

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

(k) *Failure by the Paying Agent*

If the Paying Agent fails to make the relevant calculations in accordance with this Condition, the Representative of the OBG Holders shall make the relevant calculation in place of the Paying Agent and shall notify the same to all the relevant parties in accordance with these Conditions.

7 Zero Coupon Provisions

(a) *Application*

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

(b) *Late payment on Zero Coupon OBG*

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

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or

on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

8 Redemption and Purchase

(a) *Scheduled redemption*

Unless previously redeemed, purchased and cancelled as provided below, the OBG will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 8(b) (*Extension of maturity)* and Condition 9 (*Payments*).

(b) *Extension of maturity*

Without prejudice to Condition 11 (*Events of Default*), if an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series of OBG and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the relevant Final Terms and, the OBG Guarantor or the Calculation Agent on its behalf determines that the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of OBG on the date falling on the Extension Determination Date, then (subject as provided below), payment of the unpaid amount by the OBG Guarantor under the OBG Guarantee shall be deferred until the Extended Maturity Date provided that any amount representing the Final Redemption Amount due and remaining after the Extension Determination Date may be paid by the OBG Guarantor on any OBG Payment Date thereafter up to (and including) the relevant Extended Maturity Date (the "**Extendable Maturity**").

The Issuer shall confirm to the Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Maturity Date as to whether payment of the Final Redemption Amount in respect of the relevant Tranche of OBG will or will not be made in full on that Maturity Date. Any failure by the Issuer to notify the Paying Agent shall not affect the validity or effectiveness of the extension.

The OBG Guarantor shall notify the relevant holders of the OBG (in accordance with Condition 16 (*Notices*), the Representative of the OBG Holders and the Paying Agent as soon as reasonably practicable and in any event at least four Business Day prior to the Maturity Date of any inability of the OBG Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the OBG pursuant to the OBG Guarantee. Any failure by the OBG Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the OBG Guarantor shall on the Extension Determination Date, pursuant to the OBG Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priority of Payments) *pro rata* in part payment of an

amount equal to the Final Redemption Amount in respect of the OBG and shall pay the Guaranteed Amounts constituting interest in respect of each such OBG on such date. The obligation of the OBG Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above.

Interest will continue to accrue on any unpaid amount during such extended period and be payable on each Guarantor Payment Date following the Maturity Date up to the Extended Maturity Date (inclusive).

(c) *Redemption for tax reasons*

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

(i) at any time (if neither the Floating Rate Provisions nor the Index-Linked or Other Variable-Linked Interest Provisions are specified in the relevant Final Terms as being applicable); or

(ii) on any OBG Payment Date (if the Floating Rate Provisions or the Index-Linked or Other Variable-Linked Interest 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 OBG Holders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued but unpaid (if any) to the date fixed for redemption, if:

(A) the Issuer gives satisfactory evidence to the Representative of the OBG Holders immediately before the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the OBG; 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 OBG 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 OBG were then due; or

(2) where the OBG may be redeemed only on an OBG Payment Date, 60 days prior to the OBG 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 OBG were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Representative of the OBG Holders (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and (C) a certificate signed by two directors of the Issuer stating that the Issuer shall have the amounts necessary in order to effect the early repayment at the date fixed for the redemption. Upon the expiry of any such notice as is referred to in this Condition 8(c), the Issuer shall be bound to redeem the OBG in accordance with this Condition 8(c).

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

If the "Call Option" is specified in the relevant Final Terms as being applicable, the OBG 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) together with interest accrued but unpaid (if any) on the Issuer's giving (i) not less than 7 nor more than 30 days' notice to the OBG Holders and (ii) not less than 7 days before the giving of the notice referred to in (i), notice to the Representative of the OBG Holders and the Paying Agent, (which notices shall be irrevocable and shall oblige the Issuer to redeem the OBG on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued (but unpaid) interest (if any) to such date). Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Representative of the OBG Holders a certificate signed by two directors of the Issuer stating that the Issuer shall have the amounts necessary in order to effect the early repayment at the date fixed for the redemption.

(e) *Partial redemption*

If the OBG are to be redeemed in part only on any date in accordance with Condition 8(d) (*Redemption at the option of the Issuer*), the OBG to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the OBG will be so redeemed in accordance with the rules and procedures of Monte Titoli and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the OBG have then been admitted to listing, trading and/or quotation. The notice to OBG Holders referred to in Condition 8(d) (*Redemption at the option of the Issuer*) shall specify the proportion of the OBG so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Redemption at the option of OBG Holders*

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of any OBG Holder redeem such OBG held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued, but unpaid, to such date. In order to exercise the option contained in this Condition 8(f), the OBG Holder must, not less than 15 or more than 30 days before the relevant Optional Redemption Date (Put), deposit with the Paying Agent a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Put Option Notice is so deposited shall deliver a duly completed Put Option Receipt to the depositing OBG Holder. Once deposited in accordance with this Condition 7(f), no duly completed Put Option Notice may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any OBG become immediately due and payable or, upon due presentation of any such OBG on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall notify thereof the OBG Holder at such address as may have been given by such OBG Holder in the relevant Put Option Notice and shall hold such OBG blocked in the records of the relevant Monte Titoli Account Holder, relevant clearing system or relevant custodian (as applicable), against surrender of the relevant Put Option Receipt. For so long as any outstanding OBG are held blocked by the Paying Agent in accordance with this Condition 8(f), the OBG Holder and not the Paying Agent shall be deemed to be the holder of such OBG for all purposes.

(g) *No other redemption*

The Issuer shall not be entitled to redeem the OBG otherwise than as provided in Conditions 8(a) (*Scheduled redemption*) to (f) (*Redemption at the option of OBG Holders*) above.

(h) *Early redemption of Zero Coupon OBG*

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

(i) the Reference Price; and

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

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(h) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) *Cancellation*

All OBG so redeemed by the Issuer shall be cancelled and may not be reissued or resold.

(j) *Purchase*

The Issuer or any of its Subsidiaries (other than the OBG Guarantor) may at any time purchase OBG in the open market or otherwise and at any price. The OBG Guarantor shall not purchase any OBG at any time.

9 Payments

(a) *Payments through clearing systems*

Payment of interest and repayment of principal in respect of the OBG will be credited, in accordance with the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer or the OBG Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those OBG and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those OBG or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those OBG, in accordance with the rules and procedures of Monte Titoli and of the Relevant Clearing Systems, as the case may be.

(b) *Payments subject to fiscal laws*

All payments in respect of the OBG are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to OBG Holders in respect of such payments.

(c) *Payments on business days*

If the due date for payment of any amount in respect of any OBG is not a Payment Business Day in the Place of Payment, the OBG Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

10 Taxation

(a) *Gross up by Issuer*

All payments of principal and interest in respect of the OBG 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 shall be necessary in order that the net amounts received by the OBG Holders after such withholding or deduction of such amounts shall be equal to the respective amounts which would otherwise have been receivable

by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any OBG:

(i) in respect to any payment or deduction of any interest or principal for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Legislation Decree No. 239 of 1 April 1996, as amended ("**Decree No. 239**") with respect to any OBG and in all circumstances in which the procedures set forth in Decree No 239 have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or

(ii) in respect of any OBG having an original maturity of less that eighteen months where such withholding or deduction is required pursuant to Presidential Decree No. 600 of 29 September 1973, as amended; or

(iii) held by or on behalf of an OBG Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such OBG by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the OBG; or

(iv) held by or on behalf of an OBG Holder who is entitled to avoid such withholding or deduction in respect of such OBG by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non/residence or other similar claim for exemption; or

(v) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(vi) in all circumstances in which the procedures set forth in Decree No. 239 have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the action or omissions of the Issuer or its agents; or

(vii) where the OBG Holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements; or

(viii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(ix) held by or on behalf of an OBG Holder who would have been able to avoid such withholding or deduction by presenting the relevant OBG to another Paying Agent in a Member State of the EU.

(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.

(c) *No Gross-up by the OBG Guarantor*

If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the OBG Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the OBG Holders, as the case may be, and shall not be obliged to pay any additional amounts to the OBG Holders.

11 Events of default

(a) *Issuer Event of Default*

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

(i) *Non-payment*: Default is made by the Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest on the OBG of any Series when due; or

(ii) *Breach of other obligation*: The Issuer has incurred into a material default in the performance or observance of any of its obligations under or in respect of the OBG (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 OBG) and (except where, in the opinion of the Representative of the OBG Holders, such default is not capable of remedy in which case no notice will be required), such default remains unremedied for 30 days after the Representative of the OBG Holders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the OBG Holders and specifying whether or not such default is capable of remedy; or

(iii) *Insolvency*: An Insolvency Event occurs with respect to the Issuer; or

(iv) *Tests*: The Mandatory Tests or Over-Collateralisation Test are breached and not cured within 1 month following the delivery by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor Report;

(v) *Suspension of Payments*: A resolution pursuant to Article 74 of the Banking Law is issued in respect of the Issuer

(b) *Effect of an Issuer Event of Default*

If an Issuer Event of Default occurs the Representative of the OBG Holders will promptly serve the Notice to Pay on the OBG Guarantor, declaring that an Issuer Event of Default has occurred and specifying, in case of the Issuer Event of Default referred to under point (v) above, that the Issuer Event of Default may be of temporary nature.

(c) *Effect of a Notice to Pay*

Upon service of a Notice to Pay to the Issuer and the OBG Guarantor:

(i) *No further Series of OBG*: the Issuer may not issue any further Series of OBG;

(ii) *Acceleration against the Issuer*: Each series of OBG will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (i) such events shall not trigger an acceleration against the OBG Guarantor, (ii) in accordance with Article 4, Para. 3, of the MEF Decree, the OBG Guarantor shall be solely responsible for the exercise of the rights of the OBG Holders *vis-à-vis* the Issuer and (iii) in case of the Issuer Event of Default referred to under point (iv) above (x) the OBG Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the amounts due and payable under the OBG within the suspension period and (y) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the OBG (and for the avoidance of doubts, the OBG then outstanding will not be deemed to be accelerated against the Issuer);

(iii) *Enforcement*: in accordance with Article 4, Para. 3, of the MEF Decree, the OBG Guarantor shall be solely responsible, at its discretion and without further notice, to take such steps and/or institute such proceedings (also acting through the Representative of the OBG Holders) against the Issuer 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 OBG Holders;

(iv) *OBG Guarantee*: Without prejudice to paragraph (i) above, interest and principal falling due on the OBG will be payable by the OBG Guarantor at the time and in the manner provided under these Conditions, subject to and in accordance with the terms of the OBG Guarantee and the relevant Priority of Payments to creditors set out in the Intercreditor Agreement;

(v) *Tests*: The Mandatory Tests shall continue to be applied and the Amortisation Test shall apply;

(vi) *Disposal of Assets*: the OBG Guarantor shall sell the Assets and Integration Assets included in the portfolio in accordance with the provisions of the Portfolio Administration Agreement;

provided that, in case of the Issuer Event of Default referred to under item (v) (Suspension of payments) above, the effects listed in items (i) (No further Series of

OBG), (iv) (OBG Guarantee) and (vi) (Disposal of Assets) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Banking Law will be in force and effect (the "**Suspension Period**"). Accordingly (A) the OBG Guarantor, in accordance with MEF Decree, shall be responsible for the payments of the amounts due and payable under the OBG during the Suspension Period and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the OBG (and for the avoidance of doubts, the OBG then outstanding will not be deemed to be accelerated against the Issuer).

(d) *Guarantor Events of Default*

If any of the following events (each, an "**Guarantor Event of Default**") occurs and is continuing:

(i) *Non-payment*: non payment of principal and interest due in respect of the relevant Series of OBG in accordance with the OBG Guarantee, subject to a period of 8 days cure period in respect of principal or redemption amount and a 15 days cure period in respect of interest payment;

(ii) *Insolvency*: An Insolvency Event occurs with respect to the OBG Guarantor; or

(iii) *Breach of other obligation*: A breach of the obligations of the OBG Guarantor under the Transaction Documents (other than (d)(i) above) occurs which breach is incapable of remedy or, if in the opinion of the Representative of the OBG Holders capable of remedy, is not in the opinion of the Representative of the OBG Holders remedied within 30 days after notice of such breach shall have been given to the OBG Guarantor by the Representative of the OBG Holders; or

(iv) *Breach of Amortisation Test*: The Amortisation Test is breached according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report;

then the Representative of the OBG Holders

(a) in cases under (i), (ii) and (iv) above, may but shall, if so directed by an Extraordinary Resolution of the OBG Holders, and

(b) in case under (iii) above, shall, if so directed by an Extraordinary Resolution of the OBG Holders

serve a Guarantor Acceleration Notice on the OBG Guarantor.

(e) *Effect of a Guarantor Acceleration Notice*

Upon service of a Guarantor Acceleration Notice upon the OBG Guarantor:

(i) *Acceleration of OBG*: The OBG shall become immediately due and payable at their Early Redemption Amount together, if appropriate, with any accrued interest;

(ii) *OBG Guarantee*: Subject to and in accordance with the terms of the OBG Guarantee, the Representative of the OBG Holders, on behalf of the OBG Holders, shall have a claim against the OBG Guarantor for an amount equal to the Early Redemption Amount, together with accrued interest and any other amount due under the OBG (other than additional amounts payable under Condition 10(a) (*Gross up*)) in accordance with the relevant Priority of Payments to creditors set out in the Intercreditor Agreement; and

(iii) *Enforcement*: The Representative of the OBG Holders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer or the OBG Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the OBG Holders.

(f) *Determinations, etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Representative of the OBG Holders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the OBG Guarantor and all OBG Holders and (in such absence as aforesaid) no liability to the OBG Holders, the Issuer or the OBG Guarantor shall attach to the Representative of the OBG Holders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

12 Prescription

Claims for payment under the OBG shall become void unless made within ten years (in respect of principal) or five years (in respect of interest) from the due date thereof.

13 Representative of the OBG Holders

(a) *Organisation of the OBG Holders*

The Organisation of the OBG Holders shall be established upon, and by virtue of, the issuance of the OBG and shall remain in force and in effect until repayment in full or cancellation of the OBG. Purfsuant to the Rules of the Organisation of the OBG Holders, for as long as the OBG are outstanding, there shall at all times be a Representative of the OBG Holders. The appointment of the Representative of the OBG Holders as legal representative of the Organisation of the OBG Holders is made by the OBG Holders subject to and in accordance with the Rules of the Organisation of the OBG Holders.

(b) *Initial appointment*

In the Dealer Agreement the Relevant Dealer(s) has or have appointed the Representative of the OBG Holders to perform the activities described in the Dealer Agreement, in these Conditions (including the Rules of the Organisation of OBG

Holders), in the Intercreditor Agreement and in the other Transaction Documents, and the Representative of the OBG Holders has accepted such appointment for the period commencing on the Issue Date and ending (subject to early termination of its appointment) on the date on which all of the OBG have been cancelled or redeemed in accordance with these Conditions.

(c) *Acknowledgment by OBG Holders*

Each OBG Holder, by reason of holding OBG:

(i) recognises the Representative of the OBG Holders as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative of the OBG Holders in such capacity as if such OBG Holder were a signatory thereto; and

(ii) acknowledges and accepts that the Relevant Dealer(s) shall not be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the OBG Holders as a result of the performance by the Representative of the OBG Holders of its duties or the exercise of any of its rights under the Transaction Documents.

14 Agents

In acting under the Paying Agency Agreement and in connection with the OBG, the Paying Agent act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the OBG Holders.

Following service of a Notice to Pay or a Guarantor Acceleration Notice, in acting under the Cash Management and Agency Agreement, the Paying Agent acts solely as agent of the OBG Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the OBG Holders.

The Paying Agent, its initial Specified Offices, any additional Paying Agent and its Specified Offices and the initial Calculation Agent (if any) are specified in the relevant Final Terms. The Issuer and the OBG Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor paying agent or Calculation Agent and additional or successor paying agents; provided, however, that:

(a) the Issuer and the OBG Guarantor shall at all times maintain a paying agent; and

(b) the Issuer and the OBG 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 or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; and

(c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the OBG Guarantor shall at all times maintain a Calculation Agent; and

(d) if and for so long as the OBG are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the

appointment of a paying agent in any particular place, the Issuer and the OBG 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 Agent or in its Specified Office shall promptly be given to the OBG Holders.

15 Further Issues

The Issuer may from time to time, without the consent of the OBG Holders, create and issue further OBG having the same terms and conditions as the OBG in all respects (or in all respects except for the first payment of interest) so as to form a single series with the OBG.

16 Limited Recourse and Non Petition

(a) *Limited recourse*

The obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the OBG Guarantor, collateralised by the Assets and Integration Assets as provided under the Law 130, the MEF Decree and the BoI OBG Regulations. The payment obligations of the OBG Guarantor under the OBG Guarantee are secured over certain assets of the OBG Guarantor pursuant to the Deed of Pledge. The recourse of the OBG Holders to the OBG Guarantor under the OBG Guarantee will be limited to the assets comprised in the cover pool subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the OBG Holders.

(b) *Non petition*

Only the Representative of the OBG Holders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Guaranteed Amounts or enforce the OBG Guarantee and/or any security and no OBG Holder shall be entitled to proceed directly against the OBG Guarantor to obtain payment of the Guaranteed Amounts or to enforce the OBG Guarantee and/or any security. In particular:

(i) no OBG Holder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the OBG Holder to enforce the OBG Guarantee and/or any security or take any proceedings against the OBG Guarantor to enforce the OBG Guarantee and/or any security;

(ii) no OBG Holder (nor any person on its behalf, other than the Representative of the OBG Holders, 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 OBG Guarantor for the purpose of obtaining payment of any amount due from the OBG Guarantor;

(iii) at least until the date falling one year and one day after the date on which all Series of OBG issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms together with any payments payable in priority or *pari passu* thereto, no OBG Holder (nor any person on its behalf, other than the Representative of the OBG Holders) shall initiate or join any person in initiating an Insolvency Event in relation to the OBG Guarantor; and

(iv) no OBG Holder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

17 Notices

(a) *Notices given through Monte Titoli*

Any notice regarding the OBG, as long as the OBG are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(b) *Notices through Luxembourg Stock Exchange*

Any notice regarding the OBG, as long as the OBG are listed on the Luxembourg Stock Exchange, shall be deemed to have been duly given if published on the website of the Luxembourg Stock Exchange or, if required, of the CSSF and, in any event, if published in accordance with the rules and regulation of the Luxembourg Stock Exchange.

(c) *Other publication*

The Representative of the OBG Holders shall be at liberty to sanction any other method of giving notice to OBG Holders 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 OBG are then admitted to trading and provided that notice of such other method is given to the holders of the OBG in such manner as the Representative of the OBG Holders 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.),and (d) all amounts 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) *Governing law*

These OBG, and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law. All Transaction Documents and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law.

(b) *Jurisdiction*

The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to the OBG or their validity, interpretation or performance.

(c) *Relevant legislation*

Anything not expressly provided for in these Conditions will be governed by the provisions of the Law 130 and, if applicable, Article 58 of the Banking Law, the BoI OBG Regulations and MEF Decree.

RULES OF THE ORGANISATION OF THE OBG HOLDERS

TITLE I
GENERAL PROVISIONS

Article 1
General

The Organisation of the OBG Holders in respect of the OBG issued under the Programme by UniCredit S.p.A. is created concurrently with the issue and subscription of the OBG of the first Series and is governed by these Rules of the Organisation of the OBG Holders ("**Rules**").

These Rules shall remain in force and effect until full repayment or cancellation of all the OBG.

The contents of these Rules are deemed to be an integral part of the Conditions of the OBG of each Series issued by the Issuer.

Article 2
Definitions and Interpretation

2.1 Definitions

In these Rules, the terms below shall have the following meanings:

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that specified OBG are held to the order of the Paying Agent or under its control and have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until a the earlier of:

  (i) a specified date which falls after the conclusion of the Meeting; and

  (ii) the notification to the 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 OBG have been unblocked and notification of the release thereof by the Paying Agent to the Issuer and Representative of the OBG Holders;

(b) certifying that the Holder of the relevant Blocked OBG or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such OBG are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number and the principal amount outstanding of such specified Blocked OBG, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions;

"**Blocked OBG**" means OBG which have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required;

"**Chairman**" means, in relation to any Meeting, the person who takes the chair in accordance with Article 6 (*Chairman of the Meeting*);

"**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 on any of the subjects covered by Article 18.2 (*Extraordinary Resolution*) by a majority of not less than three quarters of the votes cast;

"**Holder**" means in respect of OBG, the ultimate owner of such OBG;

"**Liabilities**" means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands;

"**Meeting**" means a meeting of the OBG Holders (whether originally convened or resumed following an adjournment);

"**Monte Titoli Account Holder**" means any authorised 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 on any of the subjects covered by Article 18.1 (*Ordinary Resolution*) by a majority of more than 50 per cent. of the votes cast;

"**Portfolio**" has the meaning given to it in the Master Definition Agreement;

"**Programme Resolution**" means an Extraordinary Resolution passed at a single meeting of the OBG Holders of all Series, duly convened and held in accordance with the provisions contained in these Rules to direct the Representative of the OBG Holders to take steps and/or institute proceedings against the Issuer or the OBG Guarantor pursuant to Condition 11(e)(iii) (*Effect of a Guarantor Acceleration Notice - Enforcement*);

"**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 Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed;

"**Resolutions**" means the Ordinary Resolutions and the Extraordinary Resolutions, collectively as the context requires;

"**Swap Rate**" means, in relation to a Series or a Tranche of OBG, the applicable spot rate;

"**Transaction Party**" means any person who is a party to a Transaction Document;

"**Voter**" means, in relation to a Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Monte Titoli Account Holder or a Proxy named in a Block Voting Instruction;

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time stating that:

  (i) that Blocked OBG will not be released until the earlier of

    (A) a specified date which falls after the conclusion of the Meeting; and

    (B) the surrender of such certificate to the Paying Agent; and

(b) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked OBG; or

(c) if possible under the relevant applicable laws and regulations, a certificate issued by the Paying Agent stating:

  (i) that Blocked OBG will not be released until the earlier of:

    (A) a specified date which falls after the conclusion of the Meeting; and

    (B) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked OBG.

"**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 (i) all the OBG (in case of Programme Resolution) or (ii) all the OBG of one or more relevant Series (in case of a resolution to be taken by the OBG Holders of such relevant Series), whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such OBG Holders;

"**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 Paying Agent has its specified office; and

"**48 hours**" means two consecutive periods of 24 hours.

Unless otherwise provided in these Rules, or unless the context requires otherwise, words and expressions used in these Rules shall have the meanings and the construction ascribed to them in the Conditions.

2.2 Interpretation

In these Rules:

2.2.1 any reference herein to an "Article" shall, except where expressly provided to the contrary, be a reference to an article of these Rules of the Organisation of the OBG Holders;

2.2.2 a "successor" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

2.2.3 any reference to any Transaction Party shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

2.3 Separate Series

Subject to the provisions of the next sentence, the OBG of each Series shall form a separate Series of OBG and accordingly, unless for any purpose the Representative of the OBG Holders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series)* and 28 (*Duties and Powers of the Representative of the OBG Holders*) to 35 (*Powers to Act on behalf of the OBG Guarantor*) shall apply mutatis mutandis separately and independently to the OBG of each Series. However, for the purposes of this Article 2.3:

2.3.1 Articles 26 (*Appointment*) and 27 (*Resignation*); and

2.3.2 insofar as they relate to a Programme Resolution, Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series*) and 28 (*Duties and Powers of the Representative of the OBG Holders*) to 35 (*Powers to Act on behalf of the OBG Guarantor*),

the OBG shall be deemed to constitute a single Series and the provisions of such Articles shall apply to all the OBG together as if they constituted a single Series and, in such Articles, the expressions "OBG" and "OBG Holders" shall be construed accordingly.

Article 3

Purpose of the Organisation of the OBG Holders

Each OBG Holders is a member of the Organisation of the OBG Holders.

The purpose of the Organisation of the OBG Holders is to co-ordinate the exercise of the rights of the OBG Holders and, more generally, to take any action necessary or desirable to protect the interest of the OBG Holders.

TITLE II
MEETINGS OF THE OBG HOLDERS

Article 4

Convening a Meeting

4.1 Convening a Meeting

The Representative of the OBG Holders, the OBG Guarantor or the Issuer may convene separate or combined Meetings of the OBG Holders at any time and the Representative of the OBG Holders shall be obliged to do so upon the request in writing by OBG Holders representing at least one-tenth of the aggregate Outstanding Principal Balance of the relevant Series of OBG.

The Representative of the OBG Holders may convene a single meeting of the OBG Holders of more than one Series if in the opinion of the Representative of the OBG Holders there is no conflict between the holders of the OBG of the relevant Series, in which event the provisions of this Schedule 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 OBG Holders and the Paying Agent 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 OBG Holders, provided that it is in a EU Member State.

Article 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 OBG Holders and the Paying Agent, with a copy to the Issuer and the OBG Guarantor, where the Meeting is convened by the Representative of the OBG Holders, or with a copy to the Representative of the OBG Holders, where the Meeting is convened by the 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 OBG Holders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall explain how Noteholders may appoint Proxies, obtaining Voting Certificates and use Block Voting Instructions.

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 Holders of the OBG constituting the Outstanding Principal Balance of the OBG, the Holders of which are entitled to attend and vote are represented at such Meeting and the Issuer and the Representative of the OBG Holders are present.

Article 6

Chairman of the Meeting

6.1 Appointment of Chairman

An individual (who may, but need not be, a OBG Holder), nominated in writing by the Representative of the OBG Holders may take the chair at any Meeting, but if:

6.1.1 the Representative of the OBG Holders fails to make a nomination; or

6.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

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 OBG Holders.

Article 7

Quorum

The quorum at any Meeting will be:

7.1.1 in the case of an Ordinary Resolution, one or more Voters holding or representing at least 25 per cent of the Outstanding Principal Balance of the OBG of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing OBG Holders, whatever the Outstanding Principal Balance of the OBG so held or represented; or

7.1.2 in the case of an Extraordinary Resolution or a Programme Resolution (subject as provided below), one or more Voters holding or representing at least 50 per cent. of the Outstanding Principal Balance of the OBG of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing OBG Holders of the relevant Series for the time being outstanding, whatever the Outstanding Principal Balance of the OBG so held or represented; or

7.1.3 at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 32 (*Waiver*), only be capable of being effected after having been approved by Extraordinary Resolution, namely:

(a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the specific Series of OBG;

(b) alteration of the currency in which payments under the specific Series of OBG are to be made;

(c) alteration of the majority required to pass an Extraordinary Resolution;

(d) except in accordance with Articles 31 (*Amendments and Modifications*) and 32 (*Waiver*), the sanctioning of any such scheme or proposal to effect the exchange, conversion or substitution of the specific Series of OBG for, or the conversion of such Specific Series of OBG into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed; and

(e) alteration of this Article 7.1.3;

(each a "**Series Reserved Matter**"), the quorum shall be one or more voters being or representing holders of not less two-thirds of the aggregate Outstanding Principal Balance of the OBG of such Series for the time being outstanding or, at any adjourned meeting, one or more voters being or representing not less than one-third of the aggregate Outstanding Principal Balance of the OBG of such Series for the time being outstanding.

Article 8

Adjournment for Want of Quorum

8.1 If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:

8.1.1 if such Meeting was convened upon the request of OBG Holders, the Meeting shall be dissolved; and

8.1.2 in any other case, the Meeting shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 10 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Representative of the OBG Holders).

8.2 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Representative of the OBG Holders) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Representative of the OBG Holders.

Article 9

Adjourned Meeting

Except as provided in Article 8 (*Adjournment for Want of Quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

Article 10

Notice Following Adjournment

10.1 Notice required

Article 5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum except that:

10.1.1 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 sufficient; and

10.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

10.2 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 8 (*Adjournment for Want of Quorum*).

Article 11

Participation

The following categories of persons may attend and speak at a Meeting:

11.1 Voters;

11.2 the directors and the auditors of the Issuer and the OBG Guarantor;

11.3 representatives of the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

11.4 financial advisers to the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

11.5 legal advisers to the Issuer, the OBG Guarantor and the Representative of the OBG Holders; and

11.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the OBG Holders.

Article 12

Voting Certificates and Block Voting Instructions

12.1 A OBG Holder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time.

12.2 A OBG Holder may also obtain from the Paying Agent or require the Paying OBG Agent to issue a Block Voting Instruction by arranging for such OBG to be (to the satisfaction of the Paying Agent) held to its order or under its control or blocked in an account in the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian not later than 48 hours before the time fixed for the relevant Meeting.

12.3 A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked OBG to which it relates.

12.4 So long as a Voting Certificate or Block Voting Instruction is valid, the named therein as Holder or Proxy (in the case of a Voting Certificate issued by a Monte Titoli Account Holder), and any Proxy named therein (in the case of a Block Voting Instruction issued by the Paying Agent) shall be deemed to be the Holder of the OBG to which it relates for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

12.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same OBG.

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

Article 13

Validity of Block Voting Instructions

13.1 A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Representative of the OBG Holders, or at any other place approved by the Representative of the OBG Holders, 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 OBG Holders 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 Holders or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the OBG Holders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any holder of the OBG named in a Voting Certificate or a Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

Article 14

Voting by show of hands

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

Article 15

Voting by poll

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the OBG Guarantor, the Representative of the OBG Holders or any one or more Voters, whatever the Outstanding Principal Balance of the OBG 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.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

Article 16

Votes

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll every person who is so present shall have one vote in respect of each €1.00 or such other amount as the Representative of the OBG Holders may in its absolute discretion stipulate.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

Article 17

Voting by proxy

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the OBG Holders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

Article 18

Resolutions

18.1 Ordinary Resolutions

Subject to Article 18.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the OBG Holders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

18.2.1 sanction any compromise or arrangement proposed to be made between the Issuer, the OBG Guarantor, the Representative of the OBG Holders or any of them where such compromise or arrangement are subject expressly to the OBG Holders approval;

18.2.2 approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the OBG Holders, the Issuer, the OBG Guarantor, the OBG Holders or any of them, whether such rights arise under the Transaction Documents or otherwise, and (b) these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the OBG, which, in any such case, shall be proposed by the Issuer, the Representative of the OBG Holders and/or any other party thereto where such modification, abrogation, variation or compromise are subject expressly to the OBG Holders approval;

18.2.3 assent to any modification of the provisions of these Rules or the Transaction Documents which shall be proposed by the Issuer, the OBG Guarantor, the Representative of the OBG Holders or of any OBG Holder where such modification are subject expressly to the OBG Holders approval;

18.2.4 in accordance with Article 26 (*Appointment*), appoint and remove the Representative of the OBG Holders;

18.2.5 subject to the provisions set forth under the Conditions and the Transaction Documents or upon request of the Representative of the OBG Holders, authorise the Representative of the OBG Holders to issue a Notice to Pay as a result of an Issuer Event of Default pursuant to Condition 11(a) (*Issuer Event of Default*) or a Guarantor Acceleration Notice as a result of a OBG Guarantor Event of Default pursuant to Condition 11(d) (*Guarantor Event of Default*);

18.2.6 discharge or exonerate, whether retrospectively or otherwise, the Representative of the OBG Holders from any liability in relation to any act or omission for which the Representative of the OBG Holders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

18.2.7 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

18.2.8 authorise and ratify the actions of the Representative of the OBG Holders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document, if required therein;

18.2.9 to appoint any person (whether OBG Holders or not) as a committee to represent the interests of the OBG Holders and to confer on any such committee any powers which the OBG Holders could themselves exercise by Extraordinary Resolution; and

18.2.10 authorise the Representative of the OBG Holders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

18.3 Programme Resolutions

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the OBG Holders to take steps and/or institute proceedings against the Issuer or the OBG Guarantor pursuant to Condition 11(e)(iii) (*Effect of a Guarantor Event of Default - Enforcement*) and to approve any amendment to the OBG Guarantee (except in a manner determined by the Representative of the OBG Holders not to be materially prejudicial to the interests of the OBG Holders of any Series).

18.4 Other Series of OBG

No Ordinary Resolution or Extraordinary Resolution other than a Resolution relating to a Series Reserved Matter that is passed by the Holders of one Series of OBG shall be effective in respect of another Series of OBG unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of OBG then outstanding of that other Series, subject to Article 24.1.

Article 19

Effect of Resolutions

19.1 Binding nature

Subject to Article 18.4 (*Other Series of OBG*), any resolution passed at a Meeting of the OBG Holders duly convened and held in accordance with these Rules shall be binding upon all OBG Holders, whether or not present at such Meeting and or not voting. A Programme Resolution passed at any Meeting of the holders of the OBG of all Series shall be binding on all holders of the OBG of all Series, whether or not present at the meeting.

19.2 Notice of voting results

Notice of the results of every vote on a resolution duly considered by OBG Holders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer, the OBG Guarantor and the Representative of the OBG Holders within 14 days of the conclusion of each Meeting).

Article 20

Challenge to Resolutions

Any absent or dissenting OBG Holder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

Article 21

Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting and entered in books provided by the Issuer for that purpose. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

Article 22

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

Article 23

Individual actions and remedies

Each OBG Holder has accepted and is bound by the provisions of Clauses 4 (*Exercise of Rights and Subrogation*) and 11 (*Limited Recourse*) of the OBG Guarantee and Clause 10 (*Limited Recourse and Non Petition*) of the Intercreditor Agreement and, accordingly, if any OBG Holder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the OBG and the OBG Guarantee, any such action or remedy shall be subject to a Meeting not passing an Extraordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

23.1 the OBG Holder intending to enforce his/her rights under the OBG will notify the Representative of the OBG Holders of his/her intention;

23.2 the Representative of the OBG Holders will, without delay, call a Meeting in accordance with these Rules (including, for the avoidance of doubt, Article 24 (*Choice of Meeting*);

23.3 if the Meeting passes an Extraordinary Resolution objecting to the enforcement of the individual action or remedy, the OBG Holder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

23.4 if the Meeting of OBG Holders does not object to an individual action or remedy, the OBG Holder will not be prohibited from taking such individual action or remedy.

Article 24

Meetings and separate Series

24.1 Choice of Meeting

If and whenever the Issuer shall have issued and have outstanding OBG of more than one Series the foregoing provisions of this Rules shall have effect subject to the following modifications:

24.1.1 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the OBG of that Series;

24.1.2 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of more than one Series but does not give rise to a conflict of interest between the holders of OBG 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 OBG of all the Series so affected;

24.1.3 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of more than one Series and gives or may give rise to a conflict of interest between the holders of the OBG of one Series or group of Series so affected and the holders of the OBG 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 OBG of each Series or group of Series so affected;

24.1.4 a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the OBG Holders of all Series; and

24.1.5 to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to OBG and OBG Holders were references to the OBG of the Series or group of Series in question or to the holders of such OBG, as the case may be.

Article 25

Further regulations

Subject to all other provisions contained in these Rules, the Representative of the OBG Holders 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 OBG Holders in its sole discretion may decide.

TITLE III
THE REPRESENTATIVE OF THE OBG HOLDERS

Article 26

Appointment, removal and remuneration

26.1 Appointment

The appointment of the Representative of the OBG Holders takes place by Extraordinary Resolution of the OBG Holders in accordance with the provisions of this Article 26, except for the appointment of Securitisation Services S.p.A. as first Representative of the OBG Holders which will be appointed under the Dealer Agreement.

26.2 Identity of Representative of the OBG Holders

The Representative of the OBG Holders shall be:

26.2.1 a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or

26.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of the Banking Law; or

26.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the OBG Holders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as Representative of the OBG Holders and, if appointed as such, they shall be automatically removed.

26.3 Duration of appointment

Unless the Representative of the OBG Holders is removed by Extraordinary Resolution of the OBG Holders pursuant to Article 18.2 (*Extraordinary Resolution*) or resigns pursuant to Article 27 (*Resignation of the Representative of the OBG Holders*), it shall remain in office until full repayment or cancellation of all the Series of OBG.

26.4 After termination

In the event of a termination of the appointment of the Representative of the OBG Holders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the OBG Holders, which shall be an entity specified in Article 26.2 (*Identity of Representative of the OBG Holders*), accepts its appointment, and the powers and authority of the Representative of the OBG Holders 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 OBG.

26.5 Remuneration

The Issuer shall pay to the Representative of the OBG Holders an annual fee for its services as Representative of the OBG Holders from the Issue Date, as agreed 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 the OBG shall have been repaid in full or cancelled in accordance with the Conditions. In

case of failure by the Issuer to pay the Representative of the OBG Holders the fee for its services, the same will be paid by the OBG Guarantor.

Article 27

Resignation of the Representative of the OBG Holders

The Representative of the OBG Holders may resign at any time by giving at least three calendar months' written notice to the Issuer and the OBG 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 OBG Holders shall not become effective until a new Representative of the OBG Holders has been appointed in accordance with Article 26.1 (*Appointment*) and such new Representative of the OBG Holders has accepted its appointment, provided that if OBG Holders fail to select a new Representative of the OBG Holders within three months of written notice of resignation delivered by the Representative of the OBG Holders, the Representative of the OBG Holders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (*Identity of the Representative of the OBG Holders*).

Article 28

Duties and powers of the Representative of the OBG Holders

28.1 Representative of the OBG Holders as legal representative

The Representative of the OBG Holders is the legal representative of the Organisation of the OBG Holders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the OBG Holders.

28.2 Meetings and resolutions

Unless any Resolution provides to the contrary, the Representative of the OBG Holders is responsible for implementing all resolutions of the OBG Holders. The Representative of the OBG Holders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

28.3 Delegation

The Representative of the OBG Holders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

28.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the OBG Holders;

28.3.2 whenever it considers it expedient and in the interest of the OBG Holders,

whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation pursuant to Article 28.3.1 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the OBG Holders may think fit in the interest of the OBG Holders. The Representative of the OBG Holders 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 OBG Holders 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 OBG Holders shall, as soon as reasonably practicable, give notice to the Issuer and the OBG 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 OBG Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

28.4 Judicial proceedings

The Representative of the OBG Holders is authorised to represent the Organisation of the OBG Holders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the OBG Guarantor.

28.5 Consents given by Representative of OBG Holders

Any consent or approval given by the Representative of the OBG Holders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the OBG Holders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.

28.6 Discretions

Save as expressly otherwise provided herein, the Representative of the OBG Holders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the OBG Holders by these Rules or by operation of law.

28.7 Obtaining instructions

In connection with matters in respect of which the Representative of the OBG Holders is entitled to exercise its discretion hereunder, the Representative of the OBG Holders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the OBG Holders' instructions as to how it should act. Without prejudice to the provisions set forth under Article 33 (*Indemnity*), prior to undertaking any action, the Representative of the OBG Holders shall be entitled to request that the OBG Holders indemnify it and/or provide it with security as specified in Article 29.2 (*Specific Limitations*).

28.8 Remedy

The Representative of the OBG Holders may determine whether or not a default in the performance by the Issuer or the OBG Guarantor of any obligation under the provisions of these Rules, the OBG or any other Transaction Documents may be remedied, and if the Representative of the OBG Holders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the OBG Holders, the other creditors of the OBG Guarantor and any other party to the Transaction Documents.

Article 29

Exoneration of the Representative of the OBG Holders

29.1 Limited obligations

The Representative of the OBG Holders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

29.2 Specific limitations

Without limiting the generality of the Article 29.1, the Representative of the OBG Holders:

29.2.1 shall not be under any obligation to take any steps to ascertain whether an Issuer Event of Default or a Guarantor Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the OBG Holders hereunder or under any other Transaction Document, has occurred and, until the Representative of the OBG Holders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Issuer Event of Default or Guarantor Event of Default or such other event, condition or act has occurred;

29.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the OBG 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 OBG Holders shall be entitled to assume that the Issuer or the OBG Guarantor and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

29.2.3 except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

29.24 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(i) the nature, status, creditworthiness or solvency of the Issuer or the OBG 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 OBG 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 Portfolio; and

(v) any accounts, books, records or files maintained by the Issuer, the OBG Guarantor, the Servicer and the Paying Agent or any other person in respect of the Portfolio or the OBG;

29.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the OBG or the distribution of any of such proceeds to the persons entitled thereto;

29.2.6 shall have no responsibility for procuring or maintaining any rating of the OBG by any credit or rating agency or any other person;

29.2.7 shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the OBG Holders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

29.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

29.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the OBG Guarantor in relation to the assets contained in the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the OBG Holders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

29.2.10 shall not be under any obligation to guarantee or procure the repayment of the Receivables contained in the Portfolio or any part thereof;

29.2.11 shall not be responsible for reviewing or investigating any report relating to the Portfolio or any part thereof provided by any person;

29.2.12 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

29.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the OBG, the Portfolio or any Transaction Document;

29.2.14 shall not be under any obligation to insure the Portfolio or any part thereof;

29.2.15 shall, when in these Rules or any Transaction Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the OBG Holders, have regard to the overall interests of the OBG Holders 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 OBG Holders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual OBG Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority;

29.2.16 shall not, if in connection with the exercise of its powers, trusts, authorities or discretions, it is of the opinion that the interest of the holders of the OBG of any one or more Series would be materially prejudiced thereby, exercise such power, trust, authority or discretion without the approval of such OBG Holders by Extraordinary Resolution or by a written resolution of such OBG Holders of not less than 25 per cent. of the Outstanding Principal Balance of the OBG of the relevant Series then outstanding;

29.2.17 shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the OBG Holders and the other creditors of the Issuer or the OBG Guarantor but if, in the opinion of the Representative of the OBG Holders, there is a conflict between their interests the Representative of the OBG Holders will have regard solely to the interest of the OBG Holders;

29.2.18 may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing contained in these Rules or any of the other Transaction Documents shall require the Representative of the OBG Holders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

29.2.19 shall not be liable or responsible for any Liabilities 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.

29.3 Illegality

No provision of these Rules shall require the Representative of the OBG Holders 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 OBG Holders 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 OBG Holders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

Article 30

Reliance on information

30.1 Advice

The Representative of the OBG Holders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the OBG Guarantor, the Representative of the OBG Holders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the OBG Holders 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.

30.2 Certificates of Issuer and/or OBG Guarantor

The Representative of the OBG Holders may require, and shall be at liberty to accept (a) as sufficient evidence

30.2.1 as to any fact or matter *prima facie* within the Issuer's or the OBG Guarantor's knowledge, a certificate duly signed by a director of the Issuer or (as the case may be) the OBG Guarantor;

30.2.2 that such is the case, a certificate of a director of the Issuer or (as the case may be) the OBG Guarantor to the effect that any particular dealing, transaction, step or thing is expedient,

and the Representative of the OBG Holders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

30.3 Resolution or direction of OBG Holders

The Representative of the OBG Holders 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 OBG Holders, 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 OBG Holders.

30.4 Certificates of Monte Titoli Account Holders

The Representative of the OBG Holders, in order to ascertain ownership of the OBG, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

30.5 Clearing Systems

The Representative of the OBG Holders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the OBG Holders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of OBG.

30.6 Certificates of parties to Transaction Documents

The Representative of the OBG Holders shall have the right:

30.6.1 to require the Issuer to obtain, written certificates issued by one of the parties to the Intercreditor Agreement, or by any other creditor of the OBG Guarantor, as to any matter or fact which is *prima facie* within the knowledge of such party or as to such party's opinion with respect to any matter; and

30.6.2 to rely on such written certificates.

The Representative of the OBG Holders shall not be required to seek additional evidence in respect of the relevant fact, matter or issue and shall not be held responsible for any Liabilities incurred as a result of having failed to do so.

30.7 Certificates of Parties to Transaction Document

The Representative of the OBG Holders shall have the right to call for or require the Issuer or the OBG Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the OBG Guarantor) to the Intercreditor Agreement or any other Transaction Document,

30.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

30.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

30.8.3 as to such party's opinion with respect to any issue and the Representative of the OBG Holders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

30.8 Auditors

The Representative of the OBG Holders 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.

Article 31

Amendments and modifications

31.1 The Representative of the OBG Holders may from time to time and without the consent or sanction of the OBG Holders concur with the Issuer and/or the OBG Guarantor and any other relevant parties in making any modification (and for this purpose the Representative of the OBG Holders may disregard whether any such modification relates to a Series Reserved Matter) as follows:

31.1.1 to these Rules, the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the OBG Holders may be expedient to make provided that the Representative of the OBG Holders is of the opinion that such modification will be proper to make and will not be materially prejudicial to the interests of any of the OBG Holders of any Series;

31.1.2 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 OBG Holders is to correct a manifest error or an error established as such to the satisfaction of the Representative of the OBG Holders or for the purpose of clarification; and

31.1.3 to these Rules, the Conditions or the other Transaction Documents which is necessary to comply with mandatory provisions of law and regulation or a change of the OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

31.2 Any such modification may be made on such terms and subject to such conditions (if any) as the Representative of the OBG Holders may determine, shall be binding upon the OBG Holders and, unless the Representative of the OBG Holders otherwise agrees, shall be notified by the Issuer or the OBG Guarantor (as the case may be) to the OBG Holders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

31.3 In establishing whether an error is established as such, the Representative of the OBG Holders may have regard to any evidence on which the Representative of the OBG Holders considers reasonable to rely on, and may, but shall not be obliged to, have regard to a certificate from a Relevant Dealer, stating the intention of the parties to the relevant Transaction Document, confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention and stating the modification to the relevant Transaction Document that is required to reflect such intention

31.4 The Representative of the OBG Holders shall be bound to concur with the Issuer and the OBG Guarantor and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution or and if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

Article 32

Waiver

32.1 Waiver of Breach

The Representative of the OBG Holders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the OBG then outstanding shall not be materially prejudiced thereby:

32.1.1 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 OBG Guarantee or any of the obligations of or rights against the OBG Guarantor under any other Transaction Documents; or

32.1.2 determine that any Event of Default shall not be treated as such for the purposes of the Transaction Documents, without any consent or sanction of the OBG Holders.

32.2 Binding Nature

Any authorisation, waiver or determination referred in Article 32.1 (*Waiver of Breach*) shall be binding on the OBG Holders.

32.3 Restriction on powers

The Representative of the OBG Holders shall not exercise any powers conferred upon it by this Article 32 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Holders of the OBG then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Outstanding Principal Balance of the OBG (in the case of any such determination, with the OBG 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 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:

32.3.1 shall affect any authorisation, waiver or determination previously given or made or

32.3.2 all authorise or waive any such proposed breach or breach relating to a Series Reserved Matter unless holders of OBG of each Series has, by Extraordinary Resolution, so authorised its exercise.

32.4 Notice of waiver

Unless the Representative of the OBG Holders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the OBG Holders and the Secured Creditors, as soon as practicable after it has been given or made in accordance with Condition 16 (*Notices*).

Article 33

Indemnity

Pursuant to the Dealer 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 OBG Holders, 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 OBG Holders, including but not limited to legal expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the OBG Holders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the OBG Holders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the OBG or the Transaction Documents.

Article 34

Liability

Notwithstanding any other provision of these Rules, the Representative of the OBG Holders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the OBG 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 OBG HOLDERS AFTER SERVICE OF A OBG GUARANTOR ACCELERATION NOTICE

Article 35

Powers to act on behalf of the OBG Guarantor

It is hereby acknowledged that, upon service of a Guarantor Acceleration Notice or, prior to service of a Guarantor Acceleration Notice, following the failure of the OBG Guarantor to exercise any right to which it is entitled, pursuant to the Intercreditor Agreement the Representative of the OBG Holders, in its capacity as legal representative of the Organisation of the OBG Holders, 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 Portfolio. Therefore, the Representative of the OBG Holders, in its capacity as legal representative of the Organisation of the OBG Holders, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, in the name and on behalf of the OBG Guarantor and as *mandatario in rem propriam* of the OBG Guarantor, any and all of the rights of the OBG Guarantor 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

Article 36

Governing law

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

Article 37

Jurisdiction

The Courts of Milan will have jurisdiction to law and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which, subject to any necessary amendments, will be completed for each Tranche of OBG 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.

Final Terms dated [●]

UniCredit S.p.A.
Issue of *[Aggregate Nominal Amount of Tranche] [Description]*
OBG due *[Maturity]*

Guaranteed by UniCredit OBG S.r.l.
under the €25,000,000,000 OBG Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus dated 20 January 2012 [and the supplement[s] to the prospectus dated [●]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the OBG described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer, the OBG Guarantor and the offer of the OBG described herein is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus[, including the supplement[s]] [is/are] available for viewing [at *[website]]* [and] during normal business hours at *[address]* [and copies may be obtained from *[address]].*

[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, or adding any other final terms or information, 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 Prospectus under Article 16 of the Prospectus Directive.]

1.	(i)	Issuer:	UniCredit S.p.A.
	(ii)	OBG Guarantor:	UniCredit OBG S.r.l.
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the OBG become fungible*).

3.	Currency of denomination:	Euro
4.	Aggregate Nominal Amount of OBG:	[•]
	(i) Series:	[•]
	(ii) Tranche:	[•]
5.	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(i) Specified Denominations:	€100,000 [plus integral multiples of €[1,000] in excess thereof] (*Include the wording in square brackets where the Specified Denomination is €100,000 or equivalent plus multiples of a lower principal amount*.)
	(ii) Calculation Amount:	[•]
7.	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:	[*Specify date or (for Floating Rate OBG) OBG Payment Date falling in or nearest to the relevant month and year.*]
9.	Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the OBG Guarantee:	[*Not applicable / Specify date or* (*for Floating Rate OBG*) *OBG Payment Date falling in or nearest to the relevant month and year*]
10.	Interest Basis:	[[•] per cent. Fixed Rate] [[*Specify reference rate*] +/– [*Margin*] per cent. Floating Rate] [Zero Coupon] [Index-Linked or Other Variable-Linked Interest] [Other (*Specify*)] (further particulars specified below)

11.	Redemption/Payment Basis:	[Redemption at par] [Index-Linked or Other Variable-Linked Redemption] [Instalment] [Other (*Specify*)]
12.	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of OBG into another interest or redemption/ payment basis*]
13.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call] [(further particulars specified below)]
14.	[Date [Board] approval for issuance of OBG [and OBG Guarantee] [respectively]] obtained:	[•] [and [•], respectively *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of OBG or related OBG Guarantee)*]
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly/other (s*pecify*)] in arrear]
	(ii) OBG Payment Date(s):	[•] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"*]/not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv) Broken Amount(s):	[•] per Calculation Amount, payable on the OBG Payment Date falling [in/on] [•]
	(v) Day Count Fraction:	[30/360/ Actual/Actual (ICMA)/ *Other*]

	(vi)	Other terms relating to the method of calculating interest for Fixed Rate OBG:	[Not Applicable/*give details*]
17.	**Floating Rate Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	OBG Interest Period(s):	[•]
	(ii)	Specified Period:	[•] *(Specified Period and OBG Payment Dates are alternatives. A Specified Period, rather than OBG 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")*
	(iii)	OBG Payment Dates:	[•] *(Specified Period and OBG Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
	(iv)	First OBG Payment Date:	[•]
	(v)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Other (*give details*)]
	(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination/ Other (*give details*)]
	(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent):	[•]
	(ix)	Screen Rate Determination:	
		• Reference Rate:	[*For example, LIBOR or EURIBOR*]

	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[*For example, Reuters LIBOR 01/ 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*]
(x)	ISDA Determination:	
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate OBG, if different from those set out in the Conditions:	[•]
18.	**Zero Coupon Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Yield:	[•] per cent. per annum
(ii)	Reference Price:	[•]

	(iii)	Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 8(h) (Early redemption of Zero Coupon OBG)*]
19.	**Index-Linked or Other Variable-Linked Interest Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula/other variable:	[*Give or annex details*]
	(ii)	Party responsible for calculating the interest due (if not the OBG Paying Agent):	[•]
	(iii)	Provisions for determining interest where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(vi)	Interest Determination Date(s):	[•]
	(v)	Provisions for determining interest where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]
	(vi)	Interest or calculation period(s):	[•]
	(vii)	Specified Period:	[•] *(Specified Period and OBG Payment Dates are alternatives. A Specified Period, rather than OBG 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")*
	(viii)	OBG Payment Dates:	[•] *(Specified Period and OBG Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*

	(ix)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Other (*give details*)]
	(x)	Additional Business Centre(s) :	[•]
	(xi)	Minimum Rate/Amount of Interest:	[•] per cent. per annum
	(xii)	Maximum Rate/Amount of Interest:	[•] per cent. per annum
	(xiii)	Day Count Fraction:	[•]

PROVISIONS RELATING TO REDEMPTION

20.	**Call Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of OBG and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[•] per Calculation Amount
		(b) Maximum Redemption Amount	[•] per Calculation Amount
	(iv)	Notice period:	[•]
21.	**Put Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each OBG and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii)	Notice period:	[•]

22.	**Final Redemption Amount of OBG**		[●] per Calculation Amount
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/variable:	[*give or annex details*]
	(ii)	Party responsible for calculating the Final Redemption Amount (if not the OBG Paying Agent):	[●]
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(iv)	Date for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
	(vi)	OBG Payment Dates:	[●]
	(vii)	Minimum Final Redemption Amount:	[●] per Calculation Amount
	(viii)	Maximum Final Redemption Amount:	[●] per Calculation Amount

23.	**Early Redemption Amount (Tax)** 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 and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[Not Applicable/*give details*]
24.	**Early Redemption Amount**	[Not Applicable/*give details*]

GENERAL PROVISIONS APPLICABLE TO THE OBG

25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*] [*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 17(vi) and 19(x) relate*]
26.	Details relating to OBG for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
27.	Redenomination provisions:	[Redenomination [not] applicable (*If Redenomination is applicable, specify the terms of the redenomination in an annex to the Final Terms*)]
28.	Other final terms:	[Not Applicable/*give details*] (*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*)

DISTRIBUTION

29.	(i)	If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
30.	If non-syndicated, name of Dealer:		[Not Applicable/*give name*]

31.	U.S. Selling Restrictions:	[Reg. S Compliance Category: TEFRA C/TEFRA D/TEFRA not applicable]
32.	Additional selling restrictions:	[Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [the regulated market of the [Luxembourg Stock Exchange/*specify other regulated market*] of the OBG described herein pursuant to the €25,000,000,000 OBG Programme of UniCredit S.p.A.

RESPONSIBILITY

The Issuer and the OBG Guarantor accept responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the OBG 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 UniCredit S.p.A.

By: _____
Duly authorised

Signed on behalf of UniCredit OBG S.r.l.

By: _____
Duly authorised

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing	[Luxembourg/(*specify other*)/None]
(ii)	Admission to trading	[Application [is expected to be/has been] made by the Issuer (or on its behalf) for the OBG to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/*specify other regulated market*] with effect from [•].] [Not Applicable.]

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

(iii) Estimate of total expenses related to admission to trading: [●]

2. **RATINGS**

Ratings: The OBG to be issued [[are not expected to be rated]/[have been rated/are expected to be rated [*insert details*] by [*insert credit rating agency name(s)]]*.

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

Insert one (or more) of the following options, as applicable:

Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of ESMA pursuant to the CRA Regulation.

See www.esma.europe.eu/page/list-registered-and-CRAs for further information.

Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the "CRA Regulation"), although notification of the registration decision has not yet been provided.

Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (the "CRA Regulation").

Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the [Notes] is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of ESMA pursuant to the CRA Regulation.

See www.esma.europe.eu/page/list-registered-and-CRAs for further information.

Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the "CRA Regulation") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of ESMA pursuant to the CRA Regulation.

See www.esma.europe.eu/page/list-registered-and-CRAs for further information.

Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the "CRA Regulation") and the rating it has given to the [Notes] is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the OBG has an interest material to the offer."]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*)

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i)	Reasons for the offer	[●] *(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
[(ii)]	Estimated net proceeds:	[●]
[(iii)]	Estimated total expenses:	[●] [*Include breakdown of expenses*] *(If the OBG are derivative securities to which Annex XII of Regulation (EC) No 809/2004 applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

5. [***Fixed Rate OBG only* – YIELD**

Indication of yield:	[•] Calculated as [*include details of method of calculation in summary form*] on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [***Floating Rate OBG only* - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. [***Index-Linked or Other Variable-Linked OBG only* – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

(*Need to include:*

(i) details of the exercise price or the final reference price of the underlying;

(ii) details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident;

(iii) description of any market disruption or settlement disruption events that affect the underlying;

(iv) adjustment rules in relation to events concerning the underlying;

(v) where the underlying is a security, the name of the issuer of the security and its ISIN or other such security identification code;

(vi) where the underlying is an index, the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, details of where the information about the index can be obtained;

(vii) where the underlying is not an index, equivalent information;

(viii) where the underlying is an interest rate, a description of the interest rate;

(ix) where the underlying is a basket of underlying, disclosure of the relevant weightings of each underlying in the basket; and

(x) any other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Regulation (EC) No 809/2004.)

(*When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*)

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [will not provide any post-issuance information, unless required to do so by applicable laws and regulations].]

8. **OPERATIONAL INFORMATION**

ISIN Code:	[•]
Common Code:	[•]
Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and Specified Offices of additional OBG Paying Agent(s) (if any), Calculation Agent(s), Listing Agent(s) or Representative of the OBG Holders (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 OBG 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 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 OBG 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.]

TAXATION IN THE REPUBLIC OF ITALY

The following summary 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 OBG and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the OBG are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the OBG.

This summary is based upon the laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. This summary will not be updated to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

*This summary takes into consideration the changes introduced by Law Decree No. 138 of 13 August 2011 as converted with amendments by Law No. 148 of 14 September 2011 ("**Law Decree 138/2011**"), entered into force on 1 January 2012.*

Republic of Italy

Italian Tax Treatment of the OBG – General

Legislative Decree No. 239 of 1 April 1996 ("**Decree. No. 239**") regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) from certain securities issued, inter alia, by Italian resident banks (hereinafter collectively referred to as "Interest"). The provisions of Decree No. 239 only apply to OBG issued by the Issuer with an original maturity of eighteen months or more which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986.

Taxation of Interest

OBG with a maturity of not less than eighteen months

Italian Resident OBG holders

Pursuant to Decree No. 239, where the Italian resident holder of the OBG that qualify as *obbligazioni or titoli similari alle obbligazioni* who is the beneficial owner of such OBG, is:

(a) an individual holding OBG otherwise than in connection with entrepreneurial activity (unless he has entrusted the management of his financial assets, including the OBG, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime according to Article 7 of Italian Legislative Decree No. 461 of 21 November, 1997, as amended ("**Decree No. 461** – the "**Asset Management Option**"); or

(b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or *de facto* partnership not carrying out commercial activities or professional association; or

(c) a private or public institution not carrying out mainly or exclusively commercial activities (including the Italian state and public entities); or

(d) an investor exempt from Italian corporate income taxation.

Interest payments relating to the OBG are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the OBG). All the above categories are qualified as "net recipients".

Where the resident holders of the OBG described above under (a) and (c) are engaged in an entrepreneurial activity to which the OBG are effectively connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due.

Pursuant to Decree No. 239, the. *imposta sostitutiva* is applied by banks, *societa 'di intermediazione mobiliare* (so called "SIMs"), fiduciary companies, *societa' di gestione del risparmio* (SGRs), stock brokers and other qualified entities resident in Italy, or by permanent establishments in Italy of banks or authorised intermediaries resident outside Italy ("**Intermediaries**" and each an "**Intermediary**"), that must intervene in any way in the collection of Interest or, also as transferees, in transfers or disposals of the OBG.

Where the OBG and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld:

(a) by any intermediary paying Interest to the OBG holders; or

(b) by the Issuer.

Payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni* and have a maturity of eighteen months or more, are not subject to the 20 per cent. *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected; (ii) Italian collective investment funds, SICAVs, Italian pension funds referred to in Legislative Decree No. 252 of 5 December, 2005 ("**Decree No. 252**"), Italian real estate investment funds; and (iii) Italian resident individuals holding OBG not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the OBG, to an authorised financial intermediary and have opted for the Asset Management Option. Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the OBG without the application of 20 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iii) must (a) be the beneficial owners of payments of Interest on the OBG and (b) timely deposit the OBG together with the coupons relating to such OBG directly or indirectly with an Intermediary.

Where the OBG and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld:

(a) by any intermediary paying Interest to the OBG holder; or

(b) by the Issuer,

and gross recipients that are Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the OBG would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the OBG holder, also in the net value of production for purposes of regional tax on productive activities – IRAP) of beneficial owners who are Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding OBG not in connection with entrepreneurial activity who have opted for the Asset Management Option are subjectto a 20 per cent annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the OBG). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian collective investment funds and SICAVs are not subject to *imposta sostitutiva* on the Interest and other proceeds accrued during the holding period on the OBG.Italian pension funds subject to the regime provided by Article 17 Decree No. 252, as subsequently amended, are not subject to *imposta sostituiva*. They are subject to an 11 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the OBG).

According to the current regime provided by Law Decree No. 351 dated 25 September 2001 as subsequently amended, Italian real estate funds created under Article 37 of the Financial Services Act and Article 14-*bis* of Law No. 86 dated 25 January 1994 (the "**Real Estate Funds**"), are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund.

Non-Italian resident OBG holders

According to Decree No. 239, payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni* will not be subject to the *imposta sostitutiva* at the rate of 20 per cent. provided that:

(a) the payments are made to non-Italian resident beneficial owners of the OBG with no permanent establishment in Italy to which the OBG are effectively connected;

(b) such beneficial owners are resident, for tax purposes (i) in a White-list State listed into Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or (ii) as from the tax year in which the decree pursuant to Article 168-*bis* of Presidential Decree No. 917 of 22 December 1986 ("**Decree No. 917**") is effective, in a State or territory that is included (or deemed to be included, pursuant to Article 1, paragraph 90 of the Law No. 244 of 24 december 2007 , the "**Budget Law for 2008**") in the list of States allowing for an adequate exchange of information with the Italian tax authorities; 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 timely met or complied with.

Decree No. 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the OBG made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the OBG without the application of. *imposta sostitutiva*, non-Italian resident investors indicated above must:

(a) be the beneficial owners of payments of Interest on the OBG;

(b) timely deposit the OBG together with the coupons relating to such OBG directly or indirectly with an Italian resident bank or SIM or a permanent establishment in Italy of a non-Italian bank or investment firm, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and

(c) timely file with the relevant depository a self-assessment (*autocertificazione*) stating, *inter alia*, that he or she is resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-assessment (*autocertificazione*) is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The self-assessment (*autocertificazione*) is not requested for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident OBG holder to timely comply with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to such non-resident OBG holder.

The *imposta sostitutiva* will be applicable to interest, premium and other income accrued during the holding period when the OBG holders are resident, for fiscal purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned requirement. The. *imposta sostitutiva* may be reduced or reduced to zero under certain applicable double tax treaties entered into by Italy, subject to timely filing of required documentation.

OBG with a maturity of less than eighteen months

Pursuant to Article 26 of Decree No. 600, interest and other proceeds on OBG that qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Decree No. 917 with an original maturity of less than eighteen months are subject to withholding tax leviedat a rate of 20 per cent.

Interest payments received by: (a) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, (b) Italian resident commercial partnerships and (c) Italian resident individuals carrying out a commercial activity to which the OBG are connected form part of their aggregate income subject to income tax in Italy according to ordinary rules. In certain cases, said Interest may also be included in the taxable net value of production for IRAP purposes. In this case, the withholding tax applies as a provisional income tax and may be deducted from the taxation on income due.

Where the OBG holder is a non-Italian resident, the 20 per cent. withholding tax may be reduced under the provisions of double taxation treaties entered into by Italy, subject to timely filing of required documentation.

Atypical securities

Interest payments relating to OBG that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be qualified as "*atypical securities*" and subject to a withholding tax, levied at the rate of 20 per cent. For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

Interest payments received by: (a) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, (b) Italian resident commercial partnerships and (c) Italian resident individuals carrying out a commercial activity to which the OBG are connected form part of their aggregate income subject to income tax in Italy according to ordinary rules. In certain cases, said Interest may also be included in the taxable net value of production for IRAP purposes. In this case, the withholding tax applies as a provisional income tax and may be deducted from the taxation on income due.

Payments made by the OBG Guarantor

The Italian tax authorities have never expressed their view on the Italian tax regime applicable to payments on OBG made by an Italian resident guarantor in a ruling available to the public. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not support such an alternative treatment.

With respect to payments on the OBG made to certain Italian resident OBG holders 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 OBG may be subject to an advance withholding tax at a rate of 20 per cent. pursuant to Presidential Decree No. 600, as subsequently amended. Also In the case of payments to non-Italian resident, a final withholding tax may be applied at (20 per cent. 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 as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains

Italian resident OBG holders

Pursuant to Decree No. 461, a 20 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by Italian resident individuals, not engaged in entrepreneurial activities to which the OBG are connected, on any sale or transfer for consideration of the OBG or redemption thereof.

Under the so called "tax declaration regime", which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the 20 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, holders of the OBG who are Italian resident individuals not engaged in entrepreneurial activities to which the OBG are connected, may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the OBG ("*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the OBG being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the so-called *risparmio amministrato* regime being timely made in writing by the relevant holder of the OBG. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the OBG, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the OBG, deducting a corresponding amount from proceeds to be credited to the holder of the OBG. Where a sale or transfer or redemption of the OBG results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the OBG within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the OBG holder is not required to declare capital gains in its annual tax declaration and remains anonymous.

Special rules apply if the OBG are part of a portfolio managed in a regime of Asset Management Option ("*risparmio gestito*" regime) by an Italian asset management company or an authorised intermediary. In that case, the capital gains realised upon sale, transfer or redemption of the OBG will not be subject to *imposta sostitutiva* on capital gains but will contribute to determine the taxable base of the Asset Management Tax applicable at rate of 20 per cent.In particular, under the Asset Management Option, any appreciation of the OBG, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at yearend may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the

Asset Management Option the realised capital gain is not requested to be included in the annual income tax return of the OBG holder and the OBG holder remains anonymous.

The capital gains realised by an Italian collective investment fund or a SICAV are not subject to *imposta sostitutiva* nor to any other inxcome tax in the hands of the relevant Fund.

Any capital gains accrued to OBG holders who are Italian pension funds subject to the regime provided by Article 17 of Decree No. 252, as subsequently amended will be included in the computation of the taxable basis of Pension Fund Tax.

According to Article 41-*bis* of Law Decree No. 269 dated 30 September 2003, as subsequently amended, are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund. Any capital gains realised by Italian resident individuals carrying out a commercial activity to which the OBG are connected or Italian resident companies or similar commercial entities or permanent establishments in Italy of non-Italian resident companies to which the OBG are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Non-Italian resident OBG holders

The 20 per cent. final "*imposta sostitutiva*" may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the OBG by non-Italian resident persons or entities without a permanent establishment in the Republic of Italy to which the OBG are effectively connected, if the OBG are held in the Republic of Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected through the sale for consideration or redemption of the OBG are exempt from taxation in Italy to the extent that the OBG are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a self-assessment (*autocertificazione*) of non-residence in Italy) with the Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the OBG are deposited, even if the OBG are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the OBG are not listed on a regulated market in Italy or abroad:

(a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the OBG with no permanent establishment in Italy to which the OBG are effectively connected are exempt from the imposta sostitutiva in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the OBG if they are resident, for tax purposes: (i) in a White-list State listed into Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or (ii), as from the tax year in which the decree pursuant to Article 168-*bis* of Decree No. 917 is effective, in a State or territory that is included (or deemed to be included, pursuant to Article 1, paragraph 90 of Law of 24 December 2007, No. 244) in the list of States allowing for an adequate exchange of information with the Italian tax authorities listed in the decree referred to in Article 168-*bis*, paragraph 1 of Decree No. 917.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected elect for the risparmio amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-assessment (autocertificazione) stating that they meet the requirement indicated above. The same exemption applies in case the beneficial owners of the OBG are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State; and

(b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the OBG are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of OBG are to be taxed only in the country of tax residence of the recipient, will not be subject to imposta sostitutiva in Italy on any capital gains realised upon sale for consideration or redemption of OBG. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected hold OBG with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the risparmio amministrato regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to file in time with the authorised financial intermediary appropriate documents which include inter alia a certificate of residence from the competent tax authorities of the country of residence of the non-Italian residents.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October, 2006, converted with amendments by Law No. 286 of 24th November, 2006 effective from 29 November, 2006, and Law No. 296 of 27 December, 2006, the transfers of any valuable assets (including the OBG) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

(a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);

(b) 6 per cent. if the transfer if made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);

(c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and

(d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b), (c) and (d) on the value exceeding €1,500,000.

Transfer tax

According to Law Decree No. 248 of 31 December 2007, converted with amendments by Law No. 31 of 28 February 2008, transfer tax has been repealed.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities may be subject to the registration tax as follows: (a) public deeds and notarised deeds are subject to fixed tax at a rate of €168,00; and (b) private deeds are subject to registration tax at rate of €168,00 only in the case of use or voluntary registration.

LUXEMBOURG TAXATION

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently 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 the OBG 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 collectivitès*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidaritè*) as well as personal income tax (*impot 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 of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the 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 OBG holders

Withholding Tax

Non-resident OBG holders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-residents OBG holders, nor on accrued but unpaid interest in respect of the OBG, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the OBG held by non-resident OBG holders.

Under the Laws implementing the European Council Directive 2003/48/EC of 3 June 2003 (the "**EU Savings Directive**") on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent as defined in the Laws established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is levied at a current rate of 35 per cent. The withholding tax system will only apply during a

transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the OBG coming within the scope of the Laws would at present be subject to withholding tax at the rate of 35 per cent.

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a detailed proposal for amendments to the EU Savings Directive. The European Parliament approved an amended version of this proposal on 24 April 2009. The latest draft published by the Presidency of the Council of the European Union dates 25 November 2009. The investors' attention is drawn on this proposal which aims at improving the efficiency of the measures set out in the EU Savings Directive in the perspective of putting an end to tax evasion. The proposal suggests, *inter alia*, when payment is made through interposed arrangements not subject to tax and established outside the European Union, to impose on paying agents the application of the information exchange system or, as the case may be, the withholding tax when payment is made to the interposed arrangements, as if payment was made directly to the benefit of the individual. It also proposes to widen the scope of the EU Savings Directive to revenues equivalent to interests and coming from investments made in innovative financial products.

Resident OBG holders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of OBG, nor on accrued but unpaid interest in respect of OBG, nor is any Luxembourg withholding tax payable upon redemption or repurchase of OBG held by Luxembourg resident OBG holders.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the OBG coming within the scope of the Law would be subject to withholding tax of 10 per cent.

Income Taxation

Non-resident OBG holders

Non-resident corporate OBG holders or on-resident individual OBG holders acting in the course of the management of a professional or business undertaking, who does not have a permanent establishment or permanent representative in Luxembourg to which such OBG are attributable, are not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the OBG or on any gains realised upon the sale or disposal, in any form whatsoever, of the OBG.

Resident OBG holders

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 OBG, 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.

A Covered Bondholder that is governed by the law of 11 May 2007 on family estate management companies, 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 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 OBG.

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 OBG, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual Covered Bondholder has opted for the application of a 10 per cent. (self-applied) tax in full discharge of income tax in accordance with the 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 OBG is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the OBG 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 Law.

Net Wealth Taxation

A corporate Covered Bondholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such OBG are attributable, is subject to Luxembourg wealth tax on these OBG, except if the Covered Bondholder is governed by (i) the law of 11 May 2007 on family estate management companies, (ii) the law of 17 December 2010 on undertakings for collective investment, (iii) the law of 13 February 2007 on specialised investment funds, (iv) the law of 22 March 2004 on securitisation, or (v) the law of 15 June 2004 on venture capital vehicles.

An individual Covered Bondholder, whether she/he is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such OBG.

Other Taxes

Neither the issuance nor the transfer of OBG 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 OBG are voluntarily registered in Luxembourg.

Where a Covered Bondholder is a resident of Luxembourg for tax purposes at the time of her/his death, the OBG are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of OBG if embodied in a Luxembourg deed or recorded in Luxembourg.

European Savings Directive

On 3 June 2003, the Council of the European Union adopted the EU Directive No. 2003/48/EC regarding the taxation of savings income (the "**European Savings Directive**"). According to the European Savings Directive, each member State of the European Union (a "**Member State**") is required to provide to the tax authorities of other States of the European Union details of the interest payments by a person within its jurisdiction to individuals resident in that other State. However, Austria, and Luxembourg are allowed to apply a withholding tax system for a transitional period. The withholding tax system applies for a transitional period during which the withholding tax is applicable (from 1 July 2011) at rate of 35 per cent. The transitional period is to terminate at the end of the first full tax year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the European Saving Directive which include the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the European Saving Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 (the "**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 (including the case of interest accrued on the Certificates at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in certain associated territories of Member States, Italian paying agents (i.e., banks, investment firms ("*società di intermediazione mobiliare – SIM*"), fiduciary companies, Italian management company ("*società di gestion del risparmio – SGR*") resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances, the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), whose profits are taxed under general arrangements for business taxation and, in certain circumstance, undertakings for collective investments in transferable securities ("**UCITS**").

SUBSCRIPTION AND SALE

OBG may be sold from time to time by the Issuer to any one or more of the Dealer(s). The arrangements under which any Series or Tranche of OBG may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealer(s) are set out in a dealer agreement dated 19 January 2012 (the "**Dealer Agreement**") and entered into between the Issuer, the OBG Guarantor and the Initial Dealer. The Dealer Agreement also contains a *pro forma* subscription agreement to be entered into in relation to OBG issued on a syndicated basis. On or prior to the relevant Issue Date, the Issuer, the Dealer(s) who are parties to such subscription agreement (the "**Relevant Dealers**") and the Representative of the OBG Holders will enter into a subscription agreement (each a "**Subscription Agreement**"), under which the Relevant Dealers will agree to subscribe for the relevant Series or Tranche of OBG, subject to the conditions set out therein. The relevant Subscription Agreement together with the Dealer Agreement will, *inter alia*, make provision for the terms and conditions of the relevant Series or Tranche of OBG, the price at which such Series or Tranche of OBG will be purchased by the Relevant Dealers and the commissions or other agreed deductibles (if any) payable by the Issuer in respect of such purchase.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other Dealer(s) either generally in respect of the Programme or in relation to a particular Series of OBG.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The OBG 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, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The OBG are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver OBG of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Series of OBG, as certified to the Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of OBG to or through more than one Dealer, by each of such Dealers as to the OBG of such Tranche purchased by or through it, in which case the Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells OBG during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the OBG within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of OBG comprising any Tranche, any offer or sale of OBG within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Index Linked OBG shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such OBG, which additional selling restrictions shall be set out in the applicable Final Terms.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of OBG which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such OBG to the public in that Relevant Member State:

(a) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) 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 3(2) of the Prospectus Directive,

provided that no such offer of OBG referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of OBG to the public" in relation to any OBG in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the OBG to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented, warranted and agreed that:

(a) *general compliance*: it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the OBG in, from or otherwise involving the United Kingdom; and

(b) *financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the OBG in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

Republic of Italy

The offering of the OBG has not been registered pursuant to Italian securities legislation and, accordingly, no OBG may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the OBG be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the OBG or distribution of copies of this Prospectus or any other document relating to the OBG in the Republic of Italy under (a) or (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Japan

The OBG have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law of Japan**") and, accordingly, each Dealer has undertaken that it will not offer or sell any OBG directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial

Instruments and Exchange Law and other relevant laws and regulations of Japan. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers OBG or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver OBG or possess, distribute or publish this Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of OBG) or in a supplement to this Prospectus.

GENERAL INFORMATION

Listing, admission to trading and minimum denomination

Application has been made for the OBG issued under the Programme to be admitted to the official list and be traded on the regulated market of the Luxembourg Stock Exchange.

OBG 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.

The OBG will not have a denomination of less than €100,000.

Authorisations

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer on 16 December 2011. The publication of this Prospectus was authorised by a resolution of the Board of Directors of the Issuer on 16 December 2011.

The granting of the OBG Guarantee was authorised by a resolution of the quotaholders' meeting of the OBG Guarantor on 11 January 2012.

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 OBG.

Clearing of the OBG

The OBG will be issued in bearer and 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 relevant Final Terms shall specify any other clearing system as shall have accepted the relevant OBG for clearance together with any further appropriate information.

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number in relation to the OBG of each Series will be specified in the relevant Final Terms relating thereto.

The Representative of the OBG Holders

Pursuant to the provisions of the Conditions and the Rules of Organisation of the OBG Holders, there shall be at all times a Representative of the OBG Holders appointed to act in the interest and behalf of the OBG Holders. The initial Representative of OBG Holders shall be Securitisation Services S.p.A.. Securitisation Services S.p.A. shall be appointed by the Dealers in accordance with the Dealer Agreement and the relevant Subscription Agreements.

No material litigation

Save as described in "Description of the Issuer – Legal and Arbitration Proceedings" and in "Description of the Issuer – Additional Relevant Information", during the twelve months preceding the date of this Prospectus, there have been no governmental, legal or arbitration proceedings, nor is the Issuer or the OBG Guarantor aware of any pending or threatened proceedings of such kind,

which have had or may have significant effects on the Issuer's or the OBG Guarantor's financial position or profitability.

No material adverse change

There has been no significant change in the financial and trading position or in the prospects of the OBG Guarantor, since 31 December 2011 and there has been no material adverse change in the prospects of the OBG Guarantor since 31 December 2011.

Save as described in the section "*Description of the Issuer - Recent Developments*", there has been no significant change in the financial position of the Issuer and its subsidiaries taken as a whole since 30 September 2011 and there has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2010.

Luxembourg Listing Agent

The Issuer has undertaken to maintain a listing agent in Luxembourg so long as OBG are listed on the Luxembourg Stock Exchange.

Documents available for inspection

For so long as the Programme remains in effect or any OBG shall be outstanding and listed on the Luxembourg Stock Exchange, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer and the Representative of the OBG Holders, namely:

(i) the Transaction Documents;

(ii) Issuer's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;

(iii) OBG Guarantor's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;

(iv) Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended 30 September 2011;

(v) Issuer's unaudited condensed interim consolidated financial statements (including review report) as of and for the six months ended 30 June 2011;

(vi) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2010;

(vii) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2009;

(viii) the non statutory interim audited financial statements of the OBG Guarantor from 17 November 2011 to 31 December 2011;

(ix) a copy of this Prospectus together with any supplement thereto, if any, or further Prospectus;

(x) any reports, letters, balance sheets, valuations and statements of experts included or referred to in the Prospectus (other than consent letters);

(xi) any Final Terms relating to OBG which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any OBG 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 OBG Holders;

(xii) any supplement to this Prospectus; and

(xiii) any other document incorporated by reference.

The documents mentioned under (i) to (xiii) (with the exception of (x)) may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent.

Copies of all such documents shall also be available to OBG Holders at the Specified Office of the Representative of the OBG Holders.

After the issue date of any Index-Linked OBG, Equity-Linked OBG, Credit-Linked OBG or other variable-linked OBG, no additional information in relation to the underlying assets, index, securities, or other variable of such OBG will be provided by the Issuer.

Financial statements available

For so long as the Programme remains in effect or any OBG listed on the Luxembourg Stock Exchange shall be outstanding, copies and, where appropriate, English translations of the most recent publicly available (i) financial statements and consolidated financial statements of the Issuer and (ii) financial statements of the OBG 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 in this Prospectus in the form and context in which it is included.

Post-issuance transaction information

Unless required to do so by applicable laws and regulations or otherwise as specified in the relevant Final Terms, the Issuer does not intend to publish post-issuance information in relation to any underlying element to which the OBG are linked or with regard to assets underlying issues of instruments constituting derivative securities.

Publication on the Internet

This Prospectus, any supplement thereto and, in respect of listed OBG only, the Final Terms will be available on the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Auditors

KPMG S.p.A., the address of which is at Vittor Pisani, 25, 20124 Milan, ("**KPMG**") are the auditors of the Issuer. They are registered in the special register (*Albo Speciale*) for auditing companies (*società di revisione*) provided for by Article 161 of the Financial Services Act, as amended, and in the register of accountancy auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of Italian legislative decree No. 88 of 27 January 1992 ("**Decree**

No. 88"). KPMG is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms. KPMG has audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2009 and 31 December 2010.

KPMG, the address of which is at Vittor Pisani, 25, 20124 Milan, will be the independant auditors of the OBG Guarantor. They are registered in the special register (*Albo Speciale*) for auditing companies (*società di revisione*) provided for by Article 161 of the Financial Services Act, as amended, and in the register of accountancy auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of Decree 88. KPMG is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

The non statutory interim financial statements of the OBG Guarantor from 17 November 2011 to 31 December 2011 have been audited by Dott. Lino De Luca (*public certified accountant*), the address of which is at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, in its capacity as independent auditor of the OBG Guarantor, as indicated in its reports thereon. The appointment of Dott. Lino De Luca as independent auditor of the OBG Guarantor was limited exclusively to the audit of the non statutory interim financial statements from 17 November 2011 to 31 December 2011 Dott. Lino De Luca is registered in the register of accountancy auditors (*Registro dei Revisori Contabili*).

INDEX OF DEFINED TERMS

ANNEX 1

Copy of the auditors' report on the review of condensed interim consolidated financial statements as of and for the nine months ended September 30, 2011

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Auditors' report on the review of condensed interim consolidated financial statements

To the Board of Directors of
UniCredit S.p.A.

1 We have reviewed the condensed interim consolidated financial statements of the UniCredit Group as at and for the nine months ended 30 September 2011, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements include the corresponding figures of the previous year annual consolidated and condensed interim consolidated financial statements for comparative purposes. With regard to the corresponding figures of the previous year annual consolidated financial statements included in the condensed interim consolidated financial statements, reference should be made to our report dated 4 April 2011.

We have not examined the corresponding figures of the same period of the previous year presented for comparative purposes. Therefore, our conclusions set out herein do not extend to such data.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the UniCredit Group as at and for the nine months ended 30 September 2011 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 21 November 2011

KPMG S.p.A.

(signed on the original)

Roberto Fabbri
Director of Audit

ANNEX 2
Copy of the auditor's report in relation to the financial statements of UniCredit OBG S.r.l.

UNICREDIT OBG S.R.L.
Piazzetta Monte n. 1
37121 Verona (VR)
Italy (the "Guarantor")

To the kind attention of the Board of Directors

Conegliano, 13 January 2012

Dear Sirs,

I am reporting in connection with the programme set up by UniCredit S.p.A. (the "**Issuer**") for the issuance of the covered bond pursuant to article *7-bis* of the Italian law of 30 April 1999, No. 130 (the **"Programme"**) guaranteed by UNICREDIT OBG S.R.L., in its capacity as Guarantor, referred to in the prospectus to be dated on or about 19 January 2012 (the "**Prospectus**")

Basis of preparation

The financial information set out below (the "**Financial Information**") is based:

(a) on the non-statutory financial statement from 17 November 2011 to 31 December 2011 prepared in accordance with IAS/IFRS accounting standards (the "**Financial Statements"**).

Responsibility

The Financial Statements are the responsibility of the Board of Directors of the Guarantor.

The Guarantor is responsible for the contents of the Prospectus in which this report is included, for any information related to the Guarantor itself.

It is my responsibility to compile the Financial Information set out in this report, to form an opinion on the Financial Information and to report my opinion to you. I have conducted my work in accordance with IAS/IFRS accounting standards and reporting practices. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Statements, underlying the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

Opinion

In my opinion the Financial Information set out below and inserted in the Prospectus gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Guarantor as at the date stated.

Financial Information

Statements of Current Assets, Capital and Reserves

	31 December 2011
	Euro
Assets	
Cash and due from banks	11,971
Intangible Fixed Assets	0
Other assets	537
Total	12,508
Liabilities and capital	
Other liabilities	4,605
Capital	10,000
Reserves	2,000
Profit (Losses) of the period	(4,097)
Losses of Previous year	0
Total	12,508

Notes to the statements:

1. **Accounting Policies**

The Financial Statements have been prepared in accordance with IAS/IFRS accounting standards.

2. **Activity of the Guarantor**

The Guarantor did not trade during the period from 17 November 2011 to 31 December 2011, nor did it incur any expenses (other than the Guarantor's costs and expenses of incorporation) or pay any dividends.

3. **Incorporation and Capital**

The Guarantor was incorporated on 17 November 2011 under the name "Cordusio ONE RMBS S.r.l." in the Republic of Italy pursuant to the Securitisation Law as a limited liability company. The Guarantor changed its name to "UNICREDIT OBG S.R.L.." by an extraordinary resolution of the meeting of the quotaholders held on 10 January 2012.

The called up and paid up capital of the Guarantor is Euro 10,000.

4. **Governing law and Juridiction**

This letter will be governed by Italian law. The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to this letter or their validity, interpretation or performance.

Yours faithfully,

_____

Dott. Lino De Luca

(*Public Certified Accountant*)

THE ISSUER, SERVICER, SELLER AND ACCOUNT BANK

UniCredit S.p.A.
Via A. Specchi, 16
00186 Rome
Italy

REPRESENTATIVE OF THE OBG HOLDERS

Securitisation Services S.p.A.
Via Alfieri 1
31015 Conegliano, Treviso
Italy

CALCULATION AGENT

UniCredit Bank AG, London Branch
Moor House
120 London Wall
London, EC2Y 5ET
United Kingdom

ADDITIONAL CALCULATION AGENT

Capital and Funding Solutions S.r.l.
Via Papa Giovanni XXIII, 52
I-24061 Albano Sant'Alessandro (BG)
Italy

PAYING AGENT

BNP Paribas Securities Services, Milan Branch
via Ansperto, 5
20123 Milan
Italy

SOLE ARRANGER

UniCredit Bank AG, London Branch
Moor House
120 London Wall
London, EC2Y 5ET
United Kingdom

DEALER

UniCredit Bank AG
Kardinal-Faulhaber-Strasse 1
D-80333 Munich
Federal Republic of Germany

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald
Hesperange, L – 2085
Luxembourg

LEGAL ADVISERS

To the Sole Arranger and Dealer

Chiomenti Studio Legale
Via XXIV Maggio, 43
00187 – Roma
Italy

To the Issuer

Studio Legale Associato in association with Linklaters LLP
Via Santa Margherita, 3
20121 – Milan
Italy